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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JANUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 15th day of January, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Haig G. Mardikian

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and the following were absent:

Leroy King (Arrived 4:20 p.m.)
Gary Kitahata (Arrived 4:18 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ace Washington, WAPAC; Brooks Walker, Chairman of the Board, San Francisco Museum of Modern Art; Ellen Lieber and Stanley Pauer, Physically Disabled Quorum; Arnold Townsend; and John Friedman.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Louis Preston who has been with the Agency eighteen years and whose most recent assignment has been in the Housing Division, was appointed by the Commissioners on January 8 to the position of Assistant Director, Community Services.
- (b) Chief of Planning, Tom Conrad, has hired a new planner, Alan Loving.

Mr. Kitahata arrived at this time 4:18 p.m.

- (c) The Agency meeting of January 29 will be held in the Rincon Point-South Beach Project Area at the ILWU, Local 34 Building at 4 Berry Street, across from the Agency's South Beach Harbor.
- (d) The Bay Conservation and Development Commission has extended the December 20, 1990 deadline for the Agency's approval of a

development proposal for the Pier 42 Bulkhead Building to January 22, 1991.

- (e) There will be a Western Addition Neighborhood Association meeting on January 16, 1991, 7:30 p.m., at St. Dominic's Church at Bush and Steiner Streets. FTP Corporation will make a presentation regarding their development at Bush and Steiner Streets which concerns demolition of the Shell gas station at that location.

Mr. King arrived at this time, 4:20 p.m.

- (f) The Commissioners have been provided with an announcement that the North and South Market Adult Health Care Center has moved to Mendelsohn House.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot regarding a letter dated January 8, 1991 from the Transport Workers Union of America, Mr. Helfeld indicated that the Union wants to purchase its own headquarters and the Agency will do what it can to assist in this endeavor.
- (b) In response to an inquiry from President Bagot, Mr. Helfeld indicated a letter is expected from the Navy by the end of January setting out the terms of the lease. The Navy will be conducting a Toxic Workshop and Shipyard Tour on January 23, 9 a.m. to 12 p.m., at the All Hands Club located at the Hunters Point Shipyard.
- (c) President Bagot indicated he was pleased to note from staff memorandum dated December 14, 1990, that it appears Webster Tower and Terrace in the Western Addition A-2 are exceeding affirmative action goals with respect to commercial tenants and developer's permanent hiring.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Disposition and Development Agreement with the San Francisco Museum of Modern Art for the development of CB-1 and EB-2 Sites located on the east side of Third Street between Minna and Hunt Streets; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Disposition and Development Agreement (DDA) with the San Francisco Museum of Modern Art (SFMMA) for the rehabilitation of the Central Block 2 (CB-2) Museum Site, Jessie Street Substation, and the development of the East Block 2 (EB-2) Museum Site, located on the east side of Third between Minna and Hunt Streets, and approving Mario Botta and Hellmuth, Obata & Kassabaum, Inc., as the architects for the EB-2 Museum Building in Yerba Buena

Center. All requirements of Exclusive Negotiations authorized in June 1989 for the two sites have been met regarding the terms and provisions of the DDA. During the Exclusive Negotiations period, the Museum retained Mario Botta of Switzerland as the Architect and Hellmuth, Obata & Kassabaum, Inc. of San Francisco as Associate Architects for the new Museum Building on EB-2 which will play a key role in the emergence of the Cultural Facilities in Yerba Buena Gardens. For each Museum Site, the DDA provides assurance of the excellence and integrity of design and construction, continued availability to the public, and the Museum management and control necessary and appropriate for a first class Fine Arts Museum serving San Francisco residents and the public at large. The two parcels are included in the 1984 DDA between the Agency and YBG Associates and in September 1988, the Agency, the Museum and YBG Associates entered a non-binding Memorandum of Understanding related to the development of the sites. A Seventh Amendment to the 1984 DDA provides for the release of CB-1 and EB-2 by YBG Associates to the Museum and the Agency subject to certain terms and conditions which, if not met, would result in YBG Associates continuing to have rights in the parcels. One of the conditions to release of the parcels is that YBG Associates approve certain aspects of the Museum DDA which will be evidenced and memorialized in an agreement between YBG Associates and the Agency to be considered at a future time. The Museum is a member-supported, privately funded entity which was incorporated as a non-profit institution in 1935. Project cost of the proposed new 200,000 square foot museum building is approximately \$60 million and it is estimated an additional \$25 million will be needed to serve as an endowment fund to support the annual operations of the Museum. Sources of funding for the EB-2 development will be private donations from individuals, foundations, corporations and organizations who have contributed or pledged over \$65 million to date, however, the Museum advise that approval of the DDA is critical to assure retention of that donor base.

Brooks Walker, Chairman of the Board, San Francisco Museum of Modern Art, made a presentation on the proposed building, its cost and commitment to raising funds to build and operate the Museum.

Ellen and Stanley Pauer, Physically Disabled Quorum, requested a consultant specializing in disabled access be retained by the Museum at the beginning of the design process.

Mr. Walker indicated experts from the Mayor's Office and the Building Department are working with the Museum on access for the disabled, however, this request will be given consideration.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to enter into an Agreement with YBG Associates to Memorialize YBG Associates' approval of the San Francisco Museum of Modern Art's (SFMMA) Disposition and Development Agreement (DDA) in connection with Yerba Buena Center.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 314-90, WOULD BE CONTINUED TO THE MEETING OF JANUARY 22, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests the selection of the Architect for the Children's Facilities on Central Block 3 in the Yerba Buena Gardens of Yerba Buena Center. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 317-90, WOULD BE CONTINUED TO THE MEETING OF JANUARY 22, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an amendment to the Agency's budget to add an Assistant Development Specialist position in Economic Development in substitution for an existing position. Subsequent to adoption of the Agency's Mission Statement on Housing and Economic Development in April 1989 when \$5 million was budgeted to support economic development in the Western Addition and Hunters Point, Leamon Abrams assumed overall responsibility for Economic Development in February 1990. A budgeted Development Specialist position has recently been advertised and, upon Commission approval, the Assistant Development Specialist position will be posted. The addition of this position makes a staff total of three professional and one secretarial position for the Economic Development Division. The source of funding for the position would be from an existing Senior Management Assistant position budgeted for in the Community Services Division.

Ms. Tsen requested the Commission be provided an opportunity to review the candidates before a decision is made.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Personal Services Contract with Independent Housing Services (IHS) for Housing Resources Development and Client Services in an amount not to exceed \$65,000 for the period retroactively from December 15, 1990 to June 30, 1991. It is requested this item be tabled.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 8-91, BE TABLED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

UNFINISHED BUSINESS & NEW BUSINESS

- (f) Public Hearing to hear all persons interested in an Agreement for Disposition of Land for Private Development with Fillmore Market Place Associates for the parcel located on the northwest corner of Webster and Eddy Streets; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (f), Unfinished Business, which requests authorization of a Land Disposition Agreement (LDA) with Fillmore Market Place Associates for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

- (a) Mr. Helfeld introduced item (a), New Business, which requests approval of the Basic Concept Drawings for that development.

It is requested items (f) and (a) be continued due to the illness of a General Partner of Fillmore Market Place Associates.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 318-90, UNFINISHED BUSINESS, AND ITEM (a), NEW BUSINESS, RESOLUTION NO. 11-91, WOULD BE CONTINUED TO THE MEETING OF JANUARY 22, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (b) Mr. Helfeld introduced item (b), which commends John Friedman on the occasion of his retirement. Mr. Friedman has served the Agency for 23 years. During that time he held a number of supervisory and management positions, the most recent of which was Assistant Director of Community Services. His dedication was displayed by his commitment to the Agency's program and enthusiasm for his responsibilities in every position he held, made him an outstanding employee. During the course of his employment many letters of commendation and appreciation were received from the general public, clients with whom he worked and various governmental officials. This opportunity is taken to wish John the best of health and happiness and good fortune in his future endeavors.

Mr. Friedman indicated that it has been an honor to be involved in the Agency's program for twenty-three years and a pleasure to work with an exceptional and dedicated staff.

Mr. King commended Mr. Friedman and thanked him for his assistance over the years.

Arnold Townsend commended Mr. Friedman and expressed appreciation to him on behalf of Western Addition residents with whom he has been closely associated with during his tenure with the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of an Amendment to the Memorandum of Understanding (MOU) with Cala Foods, Inc. to include a leasehold improvement loan in an amount not to exceed \$500,000, in connection with the development and operation of a full service supermarket at 345 Williams Avenue in the South Bayshore. Subsequent to entering into the MOU in October 1990, Cala advised that refurbishing costs are significantly higher than originally anticipated and have requested an improvement loan of \$500,000 to remodel the supermarket which would be repaid monthly over the initial ten year lease term. The detailed lease with Cala, which will include this amendment, will require Commission approval when completed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Assignment Agreement between Delancey Street Foundation (Foundation), a California nonprofit public benefit corporation, and Embarcadero Triangle Associates, a California Limited Partnership (Partnership), to have the Foundation assign its rights, title and interest in the Development Sublease Agreement to the Partnership for improvements located on Site J in Rincon Point-South Beach. An Option Agreement approved in August 1990 between the Foundation and the Partnership has resulted in Low-income Housing Tax Credits being allocated for the development of 177 affordable residential units on the site. Although negotiations are still in process with a limited partner investor, approval is being requested of an assignment of the Development Sublease to a partnership comprised of Delancey Street Housing Development Corporation, as General Partner, and Delancey Street Foundation, as the initial Limited Partner at this time, to take maximum advantage of the tax credits. When agreement is reached with the limited partner, which is expected to occur within 4-6 weeks, subsequent Commission action will be needed for that transfer. Prior to making an agreement with a limited partner investor, the sponsor has agreed to satisfy provisions for adequate reserves and assurances of long term affordability for the development.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-91 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Guaranty to the Bank of America for a loan in an amount of

\$178,303 to Housing Conservation and Development Corporation (HCDC) for payment of Low-income Housing Tax Credit Reservation Fees which must be paid by January 18, 1991. The Mayor's Office of Housing is willing to provide funds for this purpose but would not be able to disburse a check by the January 18 deadline. MOH has agreed to repay the Bank of America loan as soon as possible so the guaranty will only be needed for approximately thirty days. This matter has arisen on short notice because HCDC's project of 146 rental units for seniors was not selected for tax credits, however, other sponsors decided not to use their allocations and HCDC was left with a very short time period in which to decide on accepting the tax credits.

David Madway, Agency General Counsel, indicated that this is not an Agenda item and, in accordance with Brown Act Regulations, a determination needs to be made by the Commission that the necessity to take action on this off-agenda item arose after posting of the agenda on Friday, January 11, 1991.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, JANUARY 11, 1991.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (g) Mr. Helfeld noted that Mayor Agnos met with the Martin Luther King, Jr. Committee and had a very productive discussion.

In response to an inquiry from Ms. Tsen, Gene Suttle, Senior Deputy Executive Director, indicated 2,500 invitations for viewings of the Memorial have been mailed and Houston Conwill will be available to respond to comments and questions. Black reporters have been invited to attend and response cards will be available for written comments.

Mr. Helfeld indicated that the Martin Luther King, Jr. Memorial will be brought back to the Commission for review and approval.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Stanley Pauer, Physically Disabled Quorum, requested the parking situation be improved for disabled persons attending Agency meetings and Mr. Helfeld indicated he would look into this and respond.
- (b) Ace Washington, WAPAC, indicated the Leamon Abrams, Chief, Economic Development, had made a presentation in the Western Addition and explained the new mission regarding economic

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development. The meeting was also attended by Commissioner Kitahata.

Mr. Washington requested a copy of staff memorandum regarding Webster Terrace and Towers which Mr. Suttle indicated would be provided.

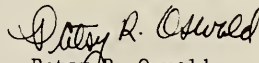
Mr. Washington indicated that WAPAC will be holding elections in the near future.

President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity the Agency may negotiate with are: Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 5:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JANUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of January, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

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Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Edwin Lee, Mayor's Office; Ace Washington and Rickey Graham, WAPAC; Geraldine Johnson, The Thursday Group; Harold B. Brooks, Jr; Katherine Nash, WANA/Rainbow; Nancy Quinn; Bill Morrison; Manuel Larez; Melissa Smith, Kronos Quartet; Heidi Varian, San Francisco Taiko Dojo; Mary and Willie Ratcliff, Liberty Builders; Eileen Hirst, Senator Quentin Kopp; Dr. Amalia Mesa-Bains, Bill Osterhaus, Jerry Allen, Doris Kahn and Byron Meyer, Yerba Buena Gardens Cultural Center; John Lion, Founder and former Director of the Magic Theater; Eva Soltes; Jeffrey Heller, Heller & Leake; Bob Martin, Cowell Theater, Fort Mason; Richard Reinessius, Julian Theater & San Francisco Arts Commission Task Force; John Elberling, Friends of the Gardens; Lilian Goldthwaite, Dance Bay Area; and Ann Kyle.

Representing the press were: Gerald Adams, San Francisco Examiner; Thomas Keane, and Alan Temko, San Francisco Chronicle.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity the Agency may negotiate with are: Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates. Following the Closed Session the Commission will return to the regular meeting.

ADJOURNMENT

It was moved moved by Ms. Tsen, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 4:10 p.m.

RECONVENED

At this time the meeting reconvened back to the regular session, 4:55 p.m., with the same roll call.

President Bagot indicated that item (a), New Business, a Presentation and Affirmative Action Comparison by Edwin Lee of the Mayor's Office would be continued to the meeting of January 29, 1991.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Staff will be attending a Hunters Point Shipyard Toxic Workshop, followed by a Shipyard tour presented by the Navy on January 23, 1991, 9 a.m. to noon. A report will be made to the Commission on these events.
- (b) The Agency's next meeting, January 29, 1991, will be held at the ILWU Local 34 meeting at 4 Berry Street in the Rincon Point-South Beach Project Area.
- (c) Gene Suttle, Senior Deputy Executive Director, reported that four viewings of the Dr. Martin Luther King, Jr. Memorial were held recently at which the Artist, Houston Conwill, responded to questions regarding the concept of the memorial.

NEW BUSINESS

President Bagot indicated that item (e) would now be considered.

- (e) Mr. Helfeld introduced item (e), which requests ratification of action taken in a Closed Session which authorized an extension of the Central Block One (CB-1) Office Parcel conveyance date from January 16, 1991 to Close of Business on January 18, 1991 to enable the Agency and YBG Associates to reach agreement on a non-binding Letter Agreement; and a further extension to January 23, 1991 for Commission consideration of either an Eighth Amendment to the YBG Associates' Disposition and Development Agreement (DDA) or a binding Letter Agreement reflecting the financing terms related to the conveyance of the CB-1 Office Parcel in Yerba Buena Center. Both parties have been working diligently to conclude the financing arrangements, however, additional time is needed to complete this work. The Eighth Amendment will permit the developer to make a series of payments to fully pay for the CB-1 parcel and also continues to allow the possibility of realizing the bond financing arrangement

contemplated by the Memorandum of Understanding approved in June 1990.

Mr. Helfeld gave a detailed background description of the Yerba Buena Center project and events leading to the present situation which has been caused by a number of factors including: the current recession; a soft office market; the American commercial real estate market is depressed which has resulted in lending institutions being reluctant to make real estate loans and the Japanese pulling out of American real estate; and uncertainty brought about by the war in the Persian Gulf. The developer has requested a modified transaction which will delay construction. Instead of paying the \$37 million now as promised, a payment schedule is proposed which calls for: \$3.6 million by February 1; \$3.1 million by April 1; \$9.9 million by May 1; \$9.8 million by October 1, 1991; and the balance by January 1992. It is not appropriate for a public entity for a public entity to start construction unless funds are on hand and it is uncertain until May 1st, at which time the \$9.9 million payment is due, that the developer will proceed.

David Madway, Agency General Counsel, recommended an extension until January 30, 1991 in order to prepare an 8th Amendment to the DDA.

The following persons spoke regarding item (e): Dr. Amalia Mesa-Bains, Bill Osterhaus, Jerry Allen, Doris Kahn and Byron Meyer, Yerba Buena Gardens Cultural Center; John Lion, Founder and former Director of the Magic Theater; Eva Soltes; Jeffrey Heller, Heller & Leake; Bob Martin, Cowell Theater, Fort Mason; Richard Reinessius, Julian Theater & San Francisco Arts Commission Advisory Task Force; John Elberling, Friends of the Gardens; Lillian Goldthwaite, Dance Bay Area; Ann Kyle; and Rickey Graham, WAPAC.

The speakers noted their concern at the delay in start of construction and their desire for the project to proceed as soon as possible.

Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center, noted that the Cultural Center is a key component of the Gardens and difficulty is being encountered in securing funding commitments because of the uncertainty of the project.

The Commissioners noted their concern that the project has not gone forward as planned, however, given the circumstances the proposed action is appropriate at this time to keep the project in place. Although it is believed that the developer has given higher priority to its other projects than to San Francisco, remarketing of the site would be difficult at this time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 18-91 BE ADOPTED.

Geraldine Johnson, The Thursday Group, noted her concern that an announcement had not been made at the beginning of the meeting that items (a) and (b), Unfinished Business, were to be continued and Mr. Helfeld indicated that staff had not informed the Commission that these items were to be continued. President Bagot apologized to Ms. Johnson for the oversight.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in an Agreement for Disposition of Land for Private Development with Fillmore Market Place Associates for the parcel located on the northwest corner of Webster and Eddy Streets; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Land Disposition Agreement (LDA) with Fillmore Market Place Associates for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2 and item (b) requests approval of the Basic Concept Drawings for that development.

- (b) Mr. Helfeld introduced item (b), which requests approval of the Basic Concept Drawings for that development.

It is requested items (a) and (b) be continued because a General Partner of Fillmore Market Place Associates cannot be present because of difficulties with airline schedules.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEMS (a) AND (b), RESOLUTION NUMBERS 318-90 AND 11-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF JANUARY 29, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to enter into an Agreement with YBG Associates to Memorialize YBG Associates' approval of the San Francisco Museum of Modern Art's (SFMMA) Disposition and Development Agreement (DDA) in connection with Yerba Buena Center. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 314-90 WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests approval of the selection of the Architect for the Children's Facilities on Central Block Three in the Yerba Buena Gardens of Yerba Buena Center. It is requested this item be continued.

Ms. Tsen suggested this item be continued until the schedule for CB-3 is known and Mr. Helfeld indicated information on schedules and alternatives for CB-3 would be provided to the Commission.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (d), RESOLUTION NO. 317-90 WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

President Bagot indicated that items (a), a Presentation and Affirmative Action Comparison by Edwin Lee of the Mayor's Office, and item (b), a Workshop on a proposed Affirmative Action Minority and Woman-owned Business Plan for Agency purchasing contracts, would be continued to the meeting of January 29, 1991.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Exclusive Negotiations, until March 11, 1991, with Hilborn Hoover Properties for the purchase of the Pier 42 Bulkhead Building and Sublease of a portion of Pier 40 in Rincon Point-South Beach. The Agency is under a Cease and Desist Order by the Bay Conservation and Development Commission (BCDC) to remove the Bulkhead Building from its present location along the Embarcadero and three Requests for Proposals have not resulted in a workable plan to move it to a location outside the Project Area. Because the passage of Proposition H has resulted in uncertainty of full development of Pier 40, staff believes consideration should be given to this proposal to relocate the Bulkhead Building to Pier 40 to be rehabilitated into marina-related commercial and recreational uses which will enhance the South Beach Harbor complex and increase its attractiveness to potential tenants. Hilborn Hoover have had considerable experience in historic renovation and it is believed they can satisfactorily rehabilitate the building. In addition, the proposal is supported by the Landmarks Advisory Board and BCDC who have extended the deadline to May 6, 1991 for removal of the building from its present location.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that cost to the Agency will be \$150,000 if an agreement is concluded and there is a possibility of relocating the Java House restaurant into the Bulkhead Building.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Michele Davis, Assistant Development Specialist in the Housing Division, to travel to Los Angeles, February 11-13, 1991 to attend a Housing Finance Seminar sponsored by the Association of Local Housing Finance Agencies at a cost not to exceed \$655.00. Subjects to be covered by the seminar include: the affordable housing finance process; development budget and subsidy analysis; federal housing programs and resources; techniques for increasing

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sources of funds and reducing development costs; and creative financing, all of which are relative to the Agency's program. Approval for this travel has been received from the Mayor's Office.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval to amend Resolution 15-91 which substitutes Bank of America State Bank for Bank of America in connection with a Guaranty for a loan in an amount of \$178,303 to Housing Conservation and Development Corporation (HCDC) for payment of low-income housing credit reservation fees. This resolution, adopted on January 15, 1991, authorized a guaranty by the Agency to the Bank of America for this loan, however, because Bank of America State Bank will actually make the loan to HCDC, an amendment is necessary for clarification purposes.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-91 BE ADOPTED.

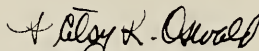
PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, indicated that the Agency will be requested to provide technical and financial assistance for WAPAC elections to be held this year.
- (b) Rickey Graham, WAPAC, requested the Agency support WAPAC and provide assistance with the elections.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to call of the Chair. The meeting adjourned at 7:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 12, 1991

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1/29/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JANUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the International Longshoremen's and Warehousemen's Union (ILWU) Local 34 Building, 4 Berry Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 29th day of January, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Haig G. Mardikian

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and the following were absent:

V. Fei Tsen, Vice President (Arrived 4:20 pm)
Gary Kitahata (Arrived 4:26 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Geraldine Johnson, The Thursday Group; Ace Washington, WAPAC; Ellen Lieber, San Francisco Physically Disabled Quorum; Morris Phillips, Noel Kahill and Arnold Townsend, Fillmore Market Place Associates; John Elberling, TODCO; Ron Zeff, TCR North Bay Area 1990, Inc; Michael Chan and Benjamin Lai, Asian, Inc; Randall Evans; M. Mih and Jay Parashis, San Francisco Police Department; and Al Norman, Al Norman Plumbing.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of December 18, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of January 8, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of October 16, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of October 23, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of October 30, 1991, as distributed by mail to the Commissioners, be approved.

Ms. Tsen arrived at this time, 4:20 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Michael Kaplan, Acting Project Coordinator, Rincon Point-South Beach gave a status report on the Project Area.

Mr. Kitahata arrived during Mr. Kaplan's presentation, 4:26 p.m.

- (b) Mr. Helfeld reported on discussions with Cal-Trans for Site "C-1" in Rincon Point-South Beach.
- (c) Gene Suttle, Senior Deputy Executive Director, reported on a meeting held on January 26 at Pilgrim Baptist Church regarding housing on Brotherhood Way in Oceanview-Merced-Ingleside area.
- (d) In accordance with a request from President Bagot, the Commissioners have been provided with a summary of the proposed Mission Bay Development Agreement.
- (e) On February 4, 1991, 7:00 p.m., there will be another introductory workshop on homes for sale in Hunters Point. It will be held at the Southeast Community College, 1880 Oakdale Avenue in the Main Auditorium. This is the second workshop held on this subject and is sponsored in conjunction with the San Francisco Housing Development Corporation.
- (f) As requested by the Commission, community meetings have been held regarding the revised Economic Development Policy Statement and Expenditure Plan which it is proposed to schedule for Commission consideration at the February 12, 1991 meeting.

Leamon Abrams, Chief, Economic Development indicated that workshops had been held on January 12 and 19 in the Western Addition and Hunters Point/South Bayshore at which attendees were provided with the Revised Policy and Expenditure Plan for Economic Development. The Commissioners have been provided with a report on community input at those meetings.

Mr. Kitahata indicated that he attended the workshop in the Western Addition at which the question was raised about the composition of the Advisory Boards to be set-up and the need for representation by the community as well as an economic development business person.

Ms. Bolanos indicated she had attended the Hunters Point/South Bayshore workshop and commended Leamon Abrams on his presentation. An issue raised was monitoring of housing projects in Hunters Point. Contractors in attendance suggested a workshop be held on recurring problems in Hunters Point and Ms. Bolanos requested a workshop be sponsored for that neighborhood to address those problems. In addition, staff should seek feedback from other City agencies.

Mr. Helfeld indicated that staff has drafted a report on the issues raised by contractors in Hunters Point which will be provided to the Commissioners for review, following which a decision can be made on whether to hold a workshop.

Following discussion, it was the consensus of the Commission that a workshop and action on the Revised Policy Statement and Expenditure Plan for Economic Development be held on February 12, 1991.

Ms. Bolanos urged staff to ensure there is proper notification of the workshop and that City officials be invited to attend.

Ms. Tsen requested Deputy Mayor James Ho be invited to attend.

- (g) The Commissioners have been provided with comments received on the Martin Luther King, Jr. Memorial concept viewings.
- (h) The Commissioners have been provided with a newspaper article praising the Agency's efforts in connection with Yerba Buena Center.
- (i) The Commissioners have been provided with a copy of a letter from Cala Foods, Inc. indicating the schedule and performance times relative to the ABC Market in Bayview/Hunters Point/South Bayshore.
- (j) The next Agency meeting to be held in the community is scheduled for March 26 in the South of Market Earthquake Recovery Redevelopment Project Area.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata requested staff keep the Commissioners advised regarding the Sears Site on Geary Boulevard. He noted the site across the street from the Sears site looks good for housing.

Mr. Helfeld indicated that the Commissioners will be provided with a staff analysis on both sites, although it appears the Sears site will be occupied again for commercial use.

- (b) In response to an inquiry from Ms. Bolanos, Mr. Kitahata indicated that the new Agency seal had been approved by the Building Sub-Committee. Ms. Bolanos requested that in future actions of this nature be brought before all the Commissioners for review before decisions are made.

UNFINISHED BUSINESS

President Bagot indicated that item (a), a Presentation and Affirmative Action Comparison by Edwin Lee of the Mayor's Office, and item (b), a Workshop on a proposed Affirmative Action Minority and Woman-owned Business Plan for Agency purchasing contracts, would be continued to the meeting of February 5, 1991.

- (c) Public Hearing to hear all persons interested in an Agreement for Disposition of Land for Private Development with Fillmore Market Place Associates for the parcel located on the northwest corner of Webster and Eddy Streets; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (c), which requests authorization of a Land Disposition Agreement (LDA) with Fillmore Market Place Associates for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

- (d) Byron Rhett, Project Coordinator, Western Addition A-2, introduced item (d), which requests approval of the Basic Concept Drawings for that development.

Subsequent to authorization of Exclusive Negotiations in March 1989, all LDA requirements have been satisfied including submission of: Basic Concept Drawings; a Developer's Statement; an Affirmative Action Program; and negotiations of a Community Benefits Program have been completed. The development consists of 142 condominiums, 28 of which will be set aside for purchase by low and moderate income buyers. Sixteen of the 28 units will be provided at an average sales price affordable to households at 100 percent of the median income and the remaining 12 units will be sold to the Agency or to qualified low and moderate income buyers approved by the Agency at the Developer's actual cost for which the Agency will provide a subsidy not to exceed \$880,000, to further reduce the prices. As part of the Community Benefits Program, the developer will work with non-profit corporations relative to the development and sale of the low to moderate income units and also contribute \$25,000 to a community charity to provide scholarships for disadvantaged children. The Commissioners have been provided with staff's architectural evaluation of the development and it is believed the referenced design concerns can be satisfactorily resolved during the Schematic Design Phase. However, design concerns affecting the massing need to be addressed prior to developing and refining the design and detailing of the building. The performance schedule calls for submission of evidence of financing by March 11, 1992 and conveyance of the site by April 15, 1992.

The following persons spoke regarding item (c) and (d): Geraldine Johnson, The Thursday Group; Ace Washington, WAPAC; Ellen Lieber,

San Francisco Physically Disabled Quorum; Morris Phillips, Noel Kahill and Arnold Townsend, Fillmore Market Place Associates.

Ms. Johnson noted her opposition to this project because there is insufficient verification that majority ownership interest and management control of the development are held by Afro-American partners. In addition, workshops on the project should be held to receive community input.

In response to an inquiry from Ms. Lieber regarding accessibility for disabled residents and visitors, Mr. Phillips indicated that the main entrance has no stairs; the building is accessible and adaptable; all floors have elevators and all units can be accessed through the main entrance.

In response to an inquiry from Ms. Lieber regarding emergency egress, Mr. Kahill indicated that the building conforms to City requirements and he would be pleased to meet with Ms. Lieber's group to resolve their concerns.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of the project and indicated she would abstain from discussions and voting on this item.

Ms. Bolanos requested further background on the project relating to: verification of Afro-American participation referred to in the letter from the Thursday Group and what is required in the LDA regarding 51 percent ownership minority participation; the community benefits package; whether community participation and workshops were a requirement.

Mr. King noted that the Commissioners have been provided with background material on the development and public workshops have been held.

Mr. Kitahata moved an Amendment that it be made a condition of the LDA that the Commission can request the developer to hold community workshops and have discretionary authority to withhold approvals for non-compliance.

Commissioners King and Mardikian noted their opposition to the amendment because there are two developers involved with this parcel and they should be treated equally.

President Bagot indicated he was satisfied with the developer's assurance that workshops will be held and indicated the amendment died for lack of a second.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MR. KITAHATA OPPOSING AND MS. TSEN AND MS. BOLANOS ABSTAINING, THAT RESOLUTION NO. 318-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MR. KITAHATA OPPOSING AND MS. TSEN AND MS. BOLANOS ABSTAINING, THAT RESOLUTION NO. 11-91 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

President Bagot indicated that item (c) would be removed from the Consent Agenda at the request of John Elberling, TODCO, and item (d) would be removed from the Consent Agenda at staff request. Both will be considered as Regular Agenda items.

- (a) Authorizing an assignment of a Personal Services Contract with Operation Sentinel of the Stanford Mid-Peninsula Urban Coalition to Project Sentinel, Inc.
- (b) Authorization for Robert T. Gamble, Deputy Executive Director, Finance, to travel to New York, February 5-12, 1991, at a cost not to exceed \$2,000, in connection with financing arrangements for the Yerba Buena Gardens in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 20-91 AND 21-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Authorizing a First Amendatory Agreement which revises the Schedule of Performance of the Owner Participation Agreement with TCR North Bay Area 1990, Inc., a Texas Corporation, for Site L located on the northeast corner of Second and Townsend Streets; Rincon Point-South Beach.

In response to an inquiry from John Elberling, TODCO, Mr. Helfeld indicated the Agency is doing its best to assist the Methodone Clinic find a site so they can relocate.

Ron Zeff, TCR North Bay Area 1990, Inc. indicated that the investors pulled out of the project because of the Persian Gulf war. It is staff's opinion that the Clinic is wrong not looking for an equivalent site to the one they have now, however, they want a better site and for the Agency to contribute money for rehabbing on the site.

Mr. Helfeld indicated that Jack Robertson, Development Specialist, is working with the Clinic to find a suitable site.

In response to an inquiry from President Bagot regarding minority contractors, Gene Suttle, Senior Deputy Executive Director, indicated there has been no deficiency on site and a written report will be provided to the Commission on the developer's affirmative action performance.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-91 BE ADOPTED.

- (d) Authorizing a Professional Services Contract in an amount not to exceed \$9,000 with Computer Applications for Design Professionals for Shadow Impact Analysis of potential alternative development of Site C-1 (Folsom and Embarcadero) related to the proposed Rincon Point-South Beach Redevelopment Plan Amendment.

Mr. Helfeld indicated the Commissioners have been provided with an informational memorandum that recommends waiving certain insurance requirements for this Professional Services contract.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests award of Contract IICR-MARGINAL WHARF REPAIRS, ELECTRIC & LANDSCAPING, in an amount of \$910,215 to N.L. Barnes Construction Co. Inc., on basis of the lowest responsive bid received, in connection with the South Beach Harbor in Rincon Point-South Beach. The contract provides for improvements at the Harbor consisting of: repair of the reinforced concrete Marginal Wharf, which is over 80 years old and sustained damage in the October 1989 earthquake; corrective repairs to the Pier 40 Baffle Wall; electrical improvements which will enhance the Harbor and assist in marketing of berths; and landscaping of the area occupied by the Pier 42 Bulkhead Building which is required by the Bay Conservation and Development Commission (BCDC) within sixty days after its removal. Following extensive advertising of the contract, six contractors submitted bids ranging from \$910,215 to over \$1.8 million. The Engineers estimate is \$900,000. N.L. Barnes, headquartered in San Francisco, has been in business since 1969 and recently satisfactorily completed work for the Port of San Francisco. The firm's affirmative action program is considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Eighth Amendment to the DDA with YBG Associates to permit certain modifications regarding the payment schedule for CB-1 Office Building parcel and related provisions in connection with Yerba Buena Center.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO ENTER INTO AN EXTENSION OF THE CB-1 OFFICE PARCEL CONVEYANCE DATE FROM 5 P.M. TO MIDNIGHT JANUARY 30, 1991.

President Bagot indicated that this meeting would be continued to January 30, 1991, 7:00 p.m. to discuss item (f).

- (g) Mr. Helfeld introduced item (g), which requests authorization of a \$500,000 grant to Asian, Inc. for the acquisition and rehabilitation of a 48-unit apartment building located at 575 Eddy Street as part of the City-wide Tax Increment Housing

Program. The building, which is currently 15 percent vacant, is occupied by very low and low-income persons all of whom will have the choice to remain in the building during and after the rehabilitation. A number of the units are rented by families with up to five members and are therefore overcrowded by HUD standards. A requirement of the grant will be for the sponsor to formulate a plan to enable those tenants to move into larger units either within the building or to other properties operated by Asian, Inc. in the same vicinity. Since such relocation would be voluntary, the Agency would not be liable for any relocation costs. The seller has agreed to reduce the price from \$1.975 to \$1.950 million if escrow closes by February 20, 1991, however, in the event this does not occur staff will encourage the sponsor to negotiate for the lower price. The TIHP Loan Committee has also approved the grant, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement. The rehabilitation budget is estimated at \$510,000 and Agency funding is contingent upon the developer obtaining the remaining financing from the City and private sources.

Michael Chan, Asian, Inc. requested approval of item (g).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a \$75,000 predevelopment loan to the Glenridge Residents' Council for predevelopment expenses related to the acquisition and rehabilitation of Glenridge Apartments located at 9 Berkeley Way in the Diamond Heights Redevelopment Project Area as part of the City-wide Tax Increment Housing Program. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 27-91, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which is a workshop on a proposed Amendment to the Redevelopment Plan for Rincon Point-South Beach.

Tom Conrad, Chief, Planning and Programming, described the purpose of the Amendment which proposes changes relative to: land use changes for Sites I-1, D and C and combines alternative land uses on the same parcel; leasing of Agency property on a short-term basis for non-conforming uses; increasing of height limit on Sites I-1 and I-3 from 105 to 160 feet; increasing the residential density on Site F; and EIR Supplement. It is anticipated the Amendment will be before the Board of Supervisors on May 13, 1991 for consideration.

John Elberling, TODCO, urged the Agency to look into the sites Caltrans has available.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, noted his concern that for item (d), Unfinished Business, there was not a design presentation. He requested assistance from the Agency for the WAPAC elections.

President Bagot announced that this meeting will be continued to January 30, 1991, at 7:00 p.m., at 770 Golden Gate Avenue, San Francisco, for item (f), authorizing an Eighth Amendment to the DDA with YBG Associates to permit modifications regarding the payment schedule for the CB-1 Office Building parcel and related provisions; Yerba Buena Center.

President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property location and the entity the Agency may negotiate with are: Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There will also be a Closed Session pursuant to Government Code Section 54956.9 regarding of the claims of: Vincente Deocampo and Ana Chavez.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations; Claims; and Personnel. The meeting adjourned at 6:55 p.m. to January 30, 1991 at 7:00 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 770 Golden Gate Avenue, San Francisco, January 30, 1991, 7:35 p.m., with the following roll call.

Buck Bagot, President
Sonia Bolanos
Leroy King
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; and representatives from YBG Associates.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Eighth Amendment to the Restated and Amended Disposition and Development Agreement (DDA) between the Redevelopment Agency of the City and County of San Francisco and YBG Associates to permit an extension of the Central Block (CB-1) Office Parcel conveyance date, payment of the purchase price through periodic deposits and other conforming changes in connection with Yerba Buena Center. The two parties have been negotiating various aspects of the requirements of the DDA taking into consideration the changing conditions in the commercial real estate development and financing markets, as well as the Agency's need to commence construction of the public improvements on CB-2, and the amendment reflects those agreed upon changes. Agreement has been reached to delay conveyance of the parcel until January 2, 1992 and with a deposit payment schedule of: February 7, 1991, \$3.6 million; April 1, 1991, \$3.1 million; May 1, 1991, \$9.9 million; October 1, 1991, \$9.8 million and January 2, 1991, \$8.6 million. The Developer will pay a series of construction cost premiums and interest payments to make up for the delay in conveyance of, and payment for, the CB-1 Office Parcel and the delay in construction caused by the Agency's decision not to proceed until sufficient funds are in hand to accomplish a significant portion of the public improvements. YBG Associates has requested that they be permitted to seek a loan of up to 100 percent of the purchase price to be secured by the land once title is conveyed to them. The exposure to the Agency in permitting land financing is that a default prior to start of construction of Yerba Buena Gardens will result in either the lender taking title or a third party purchaser at a foreclosure sale taking title which could place a developer in possession whom the Agency might not approve otherwise. The existence of a land loan complicates the Agency's right to retake in that the Agency must pay off the loan. However, the party in possession would be subject to the DDA and the Agency's right to retake the property in the event of further default by them. Since the commercial real estate market and real estate lending have changed dramatically since agreements reflected in the Memorandum of Understanding of June 1990 were reached, it is believed the best strategy is for the Agency to continue to delay the conveyance of the CB-1 Office Parcel.

David Madway, Agency Counsel, noted minor modifications to staff memorandum and to the resolution to conform to the present circumstances. He indicated that after working with YBG Associates' attorneys there are no unresolved "deal" points.

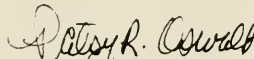
John Elberling, TODCO, noted that how the money is used as it comes in is critical. He referred to his proposal, "New YBC Funding Strategy", dealing with the new economic realities of the Yerba Buena Gardens project, a copy of which has been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-91, AS AMENDED, BE ADOPTED.

ADJOURNMENT:

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

February 26, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF FEBRUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of February, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following were absent:

V. Fei Tsen, Vice President (Arrived 4:15 p.m.)
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ace Washington, WAPAC; Robert Ho, Asian, Inc; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations; Ellen Lieber, San Francisco Physically Disabled Quorum; John Elberling, TODCO/South of Market Problem Solving Council (SOMPSC); and Calvin Welch, Council of Community Housing Organizations (CCHO).

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of January 15, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

(a) President Bagot requested agenda items that are to be continued be announced in the Report of the Executive Director.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

Minutes of a Regular Meeting, February 5, 1991

- (a) At the February 12, 1991 meeting there will be a workshop and consideration of the Revised Policy Statement and Expenditure Plan for Economic Development concerning which meetings have been held in the community.
- (b) On February 4, the Agency and the San Francisco Housing Development Corporation sponsored a second introductory Hunters Point Affordable Homebuyers Workshop at the Southeast Community College. Over 500 people attended. This ended the first series of workshops that will be conducted to create a pool of qualified applicants to purchase 15 units of housing presently being constructed by Progress Seven. Additional units will soon be developed by other Hunters Point developers.

Ms. Tsen arrived at this time, 4:15 p.m.

- (c) With respect to item (a), Unfinished Business, Mr. Lee of the Mayor's Office has indicated he will not be able to attend this meeting to make a presentation and Affirmative Action Comparison on the Mayor's Executive Directive on the City's Minority, Women and Local Business Enterprise Program. He has recommended item (b), Unfinished Business, which is a Workshop and consideration of Affirmative Action, Minority Woman-owned Business Plan for Agency purchases and contracts, be considered today and he will report back with his comments on the Plan.
- (d) The Commissioners have been provided with staff informational memorandum on a Proposed Subsidized Housing Preservation Implementation Plan which will be distributed to community organizations for input and will be before the Commission for consideration in March 1991.

Carol Anderson, Development Specialist, made a presentation on the Plan and responded to questions from the Commissioners.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Tsen inquired what the next step will be now that responses have been received to the Martin Luther King, Jr. Memorial Concept Viewings. Mr. Helfeld indicated they would be passed on to the Mayor for his comments before the matter is brought back before the Commission.
- (b) In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that the purpose of the Bonding Workshop held on January 25, 1991 sponsored by the Bay Area Contract Compliance Officers Association and hosted by the Agency was to provide information on bonding requirements to assist M/WBE's.
- (c) President Bagot indicated that the Mayor's Office of Community Development and the Mayor's Office of Public Safety have sent out notices regarding applications for Neighborhood Empowerment

Minutes of a Regular Meeting, February 5, 1991

Funds. He asked staff to investigate why the South of Market was not included in the targetted neighborhoods.

- (d) President Bagot noted that the San Francisco African American Joint Education, Business and Economic Development Commission of the Bay Area has requested a meeting to address their concerns and to be put on the mailing list for agendas and pertinent information relating to Agency meetings.
- (e) In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that realtors have been contacted who may be interested in the position of Executive Director of San Francisco Housing Development Corporation.

UNFINISHED BUSINESS

- (a) President Bagot noted that item (a), as indicated in the Report of the Executive Director, would not be held.
- (b) Mr. Helfeld introduced item (b), which is a Workshop for discussion and adoption of a Minority and Woman-owned (M/WBE) Business Plan. In accordance with the Mayor's Directive of October 12, 1990 to all City agencies, the Agency has prepared a plan detailing efforts to improve performance for 1991 which will expand staff's arsenal of tools for obtaining compliance in Agency contracts and purchases.

Ben Hattem, Agency Affirmative Action Officer, made a presentation on the Plan and responded to questions from the Commissioners. He indicated that monitoring of the Plan will be done internally as the Commission approves each contract and externally by the Mayor's Office to whom the Agency submits a quarterly report.

The following persons spoke regarding item (b): Ace Washington, WAPAC; and Ellen Lieber, San Francisco Physically Disabled Quorum.

In response to an inquiry from Ms. Lieber regarding disaster preparedness, President Bagot indicated she should discuss this with the Mayor's Emergency Preparedness Office.

The Commissioners noted their concern that the Agency and Mayor's Office have different programs. Mr. Hattem indicated that the Mayor's Office and Controller's Office are working together on a uniform format but, until that is received, it is difficult to make comparisons.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-91 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing settlement of the Personal Injury Claim of Dr. Vince Deocampo in an amount of \$3,280.00.
- (b) Authorizing settlement of the Personal Injury Claim of Ana Chavez in an amount of \$1,000.00.
- (c) Approving an expenditure of \$2,500 to purchase a Computer.
- (d) Authorizing a First Amendment to the Personal Services Contract with Laura Yamasaki to increase the maximum compensation by \$2,000.00.

Ms. Tsen indicated that although she did not want item (d) removed from the Consent Agenda, she would like to draw attention to the appearance of the seal on the letterhead when it is faxed or xeroxed. James Nybakken, Administrative Services Officer, indicated that changes in this regard are being reviewed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 29-91, 30-91, 31-91 AND 32-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Second Amendment to the Agreement for Professional Services with Environmental Science Associates (ESA) in connection with Yerba Buena Center. ESA has been providing environmental consulting services to the Agency since April 1988 related to the YBC Environmental Impact Report (EIR) and the proposed amendment will permit the Agency to proceed with preparation of a subsequent final EIR. The amendment expands the scope of services, extends the term and increases the amount payable by \$107,300 for a total contract amount of \$227,000. The firm's Affirmative Action Program is considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-91 BE ADOPTED.

Mr. Mardikian left the meeting at this time, 5:10 p.m.

- (f) Mr. Helfeld introduced item (f), which is a Workshop to discuss leveraging of funds for the Agency's Housing Programs. Since its inception over a year ago, the City-wide Tax Increment Housing Program (TIHP) has been very successful at leveraging non-local sources of funds for affordable housing projects financed by the Agency in conjunction with the Mayor's Office of Housing. Also, during the past year, San Francisco non-profit developers have been extremely successful in receiving State funding, however, voter-approved State bond programs, a major source of leveraged

funds, are winding down. In the absence of significant State funding, Agency housing programs will have to be geared toward the requirements of other funding sources available to try to maintain the current level of non-local financial support. Funding sources that will possibly be available during the upcoming year will now be reviewed.

Jack Robertson, Development Specialist, made a presentation and responded to questions from the Commissioners.

Calvin Welch, CCHO, noted his concern regarding how the Agency counts their dwelling units.

The Commissioners noted their concern regarding best leveraging of funds because of the uncertainty of future funding sources and noted their preference for rental projects, rather than homeownership projects, because they require less subsidy but still provide affordable housing.

President Bagot announced there would be a brief recess. The meeting recessed at 5:55 p.m. and reconvened at 6:00 p.m. with the following roll call:

Buck Bagot, President
Fei Tsen, Vice President
Leroy King

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which is a Workshop to review the Agency's Draft Budget for 1991-1992. The budget contains revenues of \$100.6 million and expenditures of \$161.4 million which leaves a need for tax increment bond proceeds of \$60.8 million. This results in an increase in the Agency's annual draw on tax increment money of \$6.3 million per year over the next thirty years which will cost the City's general fund \$5.03 million. In addition, staff is recommending request of a direct general fund allocation of \$1 million to provide for entrepreneurial public development efforts because the City is increasingly looking for Agency assistance on special projects of limited focus and duration. Also, resources have been needed to cover the start-up of larger projects such as the South of Market and the Hunters Point Naval Shipyard which represent an important and growing role for the Agency to provide assistance for public development opportunities. This brings the total general fund requirement to \$6.03 million. Economic Development expenditures are \$2.1 million which includes funding for three employment centers; \$100,000 for business assistance services in the South of Market; and \$250,000 for appraisals and land use studies in the Naval Shipyard. A request of \$11 million of non-tax increment City funding is included to reduce the indebtedness of the South Beach Harbor since it is believed failure to reduce this debt will compromise the Agency's and the City's credit rating. Total expenditures for the Agency's housing efforts amount to \$39.2 million. Funding of \$12 million

is recommended for the third year of the City-wide Tax Increment Housing Program (TIHP) which is in accordance with the commitments made in the 1989 Mission Statement to provide for an inflation-adjusted amount of \$10 million annually. It is proposed to allocate: \$1.8 million in assistance for nonprofit and tenant acquisition of at-risk federally subsidized developments; \$8 million for acquisition of housing sites and \$4 million for rehabilitation and other housing assistance in the South of Market area; \$4 million in housing assistance for the Rincon Point-South Beach Project Area; \$2 million for acquisition of a housing site along Third Street in the South Bayshore; and \$5 million to the Hunters Point area to permit acquisition of one large housing site on the edge of the Naval Shipyard and to provide housing subsidies for the school site. The scope of the proposed housing program necessitates utilization of tax increment from the Golden Gateway area. Expenditures for the Yerba Buena Center Project are \$87 million and revenues supporting that program include \$17.7 million of tax increment bond proceeds together with \$66 million of land sale proceeds. Other project-based expenditures total \$7 million. Due to uncertainty as to the courses of action that will be taken during the forthcoming year with regard to YBC, scenarios for potential sources of revenue and expenditures are presented in this budget which provide for a reasonable amount of flexibility. The Agency has used approximately one quarter of its existing tax increment capacity over the last two years and, although it is expected to grow over the next several years, it is probable that additional coverage requirements will be imposed by lenders as additional debt is issued. Therefore, agreement must be sought with the City's policy makers to permit Agency participation in projects which will yield tax increment over the next ten years and until new projects begin to yield tax increment, existing project areas must be utilized. Further workshops will be held on February 12 and 19 at which time the Commission will be requested to taken action.

Bill Rumpf, Chief, Housing and Production Management, commented on the housing program and gave a status report on housing in the South of Market.

Mr. Helfeld indicated that the Agency does not have the power of eminent domain in the South of Market because it is an earthquake recovery project, however, a number of housing sites have been identified.

John Elberling, TODCO/SOMPSC, and Calvin Welch, CCHO, noted their concern that the housing allocation being requested is too high and that the Agency is not being realistic by making this request.

Mr. Helfeld noted his disappointment that the housing advocates are taking this position.

Minutes of a Regular Meeting, February 5, 1991

Mr. Elberling noted that he does not have a single issue perspective as he is involved with other budgets as well as housing.

President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

southeast corner of Bush and Steiner Streets in the Western Addition A-2 with FTP Investment Corporation; and

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) on the subject of litigation. The name of the case is the San Francisco Redevelopment Agency v. South Beach Marina Apartments, Ltd., and Bayside Village.

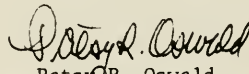
There will also be a Closed Session pursuant to Government Code Section 54956.9(b) to discuss potential litigation of the San Francisco Redevelopment Agency v. Western Commercial Partnership II.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations, Closed Sessions on Litigation and possible Litigation and a Closed Session on Personnel. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 26, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF FEBRUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of February, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

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Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Eli Shule, Glen Residents Council; Susan Wong, Chinese Community Housing Corporation; Harry L. Jamerson; Willie Ratcliff, Liberty Builders; Ace Washington, WAPAC; Samuel Murray, New Bayview Committee; Abu Bakr; Dr. Eddie Welbon, African-American Joint Education, Business & Economic Development Commission; Geraldine Johnson, The Thursday Group; Essie Collins; Lefty Gordon, Ella Hill Hutch Community Center; Mary Ratcliff, New Bayview Committee; Felecia Jamerson; Ray Jones and Roland R. Willis, Sr., Urban Economic Development Corporation (UEDC); Arnold Townsend; Ocie Mae Rogers; Rene Cazenave, Council of Community Housing Organizations (CCHO); Mary Helen Rogers; Sue Hestor; Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens; John Elberling, TODCO; Loretta Stack, Orris Linley, Francine Jercero, Mohamed Hosny, Gilberta Heaster, Charles Olsen, Helen Brown, Glenridge Residents; Raymond Martin, Curtis Kelley, A. Martin, Young Community Developers (YCD); E. Manuel; Delisa Jamerson; Larry Pau, Full Gospel Baptist Church; Jerry Demins; D. Wiley; John Cowhurd; Hari T. Marshall, Local 580; E. Jamerson; Bertha L. Carty; Essie Collins, WANA; M Moore; Spenser Thomas; James Brady; Jamie Locket, Progress Seven, Inc; Mattie Fleming; Lois Scott, City Planning; G. Ray; Teresa Carrion; and J. Muranti.

Representing the press was: Gerald Adams, San Francisco Examiner

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of November 13, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of November 27, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of November 27, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minute of the Regular Meeting of January 22, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Favorable bids which are below budget have been received on the steel package for the Cultural Buildings in Yerba Buena Center.
- (b) Refinancing of the 1979 Moscone Convention Center Bonds has been approved by the Board of Supervisors and will be an agenda item for consideration at the February 19, 1991 meeting.
- (c) The Ballroom has opened in the Moscone Convention Center.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot regarding implementation by the Mayor of a hiring freeze on non-critical City employees, Mr. Helfeld indicated that the Agency presently has four job openings which it is hoped to fill but a final decision on this will be made by the Mayor.
- (b) President Bagot noted a letter had been received from Homebase requesting the Agency's thoughts on the Presidio and visions and Mr. Helfeld indicated that the City is participating through the Planning Department. The Golden Gate National Recreation Area has the lead role and has an outreach program to citizens organizations.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a \$75,000 predevelopment grant to the Glenridge Residents' Council (Council) for predevelopment expenses related to the

acquisition and rehabilitation of Glenridge Apartments located at 9 Berkeley Way in the Diamond Heights Redevelopment Project Area as part of the City-wide Tax Increment Housing Program (TIHP). The current property owner has filed a Notice of Intent to prepay the FHA mortgage and the Council has signed a purchase agreement for the building which contains 275 units. The project is an existing low and moderate income rental project financed by the Federal Government under the FHA 221 (d) (3) Program and its transfer will be regulated by the U.S. Department of Housing and Urban Development (HUD) pursuant to which the owner must submit a plan of action describing the planned transfer including: proposed financing; proposed rehabilitation; and a plan to retain affordability. HUD is required to provide financial incentives for owners or purchasers that agree to maintain permanent affordability restrictions and the predevelopment expenses include the cost to develop a plan for the acquisition of the building necessary for HUD approval of the transfer. The residents are in the process of determining the form of ownership that is financially feasible and desired by most residents, however, currently the plan is for 100 ownership units and 175 rental units. The TIHP Loan Committee has approved the grant, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

Eli Shule, Glenridge Residents' Council, requested approval of item (a) and noted the the Council is committed to affordability for the project.

President Bagot indicated that staff has developed a draft policy and program document for the preservation of at-risk subsidized housing entitled "The San Francisco Redevelopment Agency Subsidized Housing Preservation Plan" of which he wants the Council to be aware. He indicated he would be interested to know if ownership is going to be permanently affordable and requested the Council support the Agency's 1991-1992 budget.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, , AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-91 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

- (a) Authorizing a First Amendment to the Agreement for Professional Services with Environmental Impact Planning Associates which increases the contract amount by \$40,000; Rincon Point-South Beach.
- (b) Authorizing a Second Amendment which revises the Scope of Development in the Owner Participation Agreement with the Full Gospel San Francisco Church, in connection with 1480 Ellis Street; Western Addition A-2.

- (c) A Resolution of Intention of the Redevelopment Agency of the City and County of San Francisco to reimburse expenditures with Bond proceeds; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 36-91, 37-91 AND 38-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization to expend funds up to \$1,376,539 to be paid to the City for costs incurred for the Agency's share of the Cooling Plant and modification of the Design and Construction of the expanded Moscone Convention Center to accommodate construction of the Cultural Buildings, Esplanade and East Garden in the Yerba Buena Gardens of Yerba Buena Center. The design and construction of the Convention Center expansion has proceeded in advance of the gardens and cultural facilities and since the Agency's design has been completed it has been necessary to modify the construction of the expansion so that it can accommodate the above grade construction. When the costs to accomplish the design and construction of these modifications are fully determined, authorization to pay for this work will be requested. The completion of the Agency's facility designs have required changes which are over and above those the CAO agreed to incorporate in the Convention Center budget. Contingencies covering these costs are in the Agency's construction budget of \$87.6 million. Funds are available from the YBC 1990-1991 budget for design of the cultural facilities and are specifically included in the 1991-1992 budget. Upon approval of the 1991-1992 YBC budget these design monies will be replaced. This authorization also includes the costs for the Agency's share of the cooling plant to be shared with the Convention Center and Agency cultural facilities. The Cooling Plant Agreement was approved in May 1990, however, authorization to expend the funds for the Agency's share of the costs was not specifically authorized at that time. The Agreement with the City requires that the Agency pay its share of the costs as construction proceeds and it is recommended that these funds be authorized because construction of the plant is now underway.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a \$1.340 million grant to Chinese Community Housing Corporation (CCHC) for the acquisition of a site located at 201 Turk Street as part of the City-wide Tax Increment Housing Program (TIHP). CCHC proposes to construct 175 units of low-income rental housing in a joint venture with the A.F. Evans Company. Funding commitments have been received from: the State's Rental Housing Construction Program for \$7.614 million; the Mayor's Office of

Housing (MOH) for \$660,000 from the City's Affordable Housing Production Program; and an application has been submitted for Federal Low-income Housing Tax Credits. Total development costs are estimated \$34.8 million and it is anticipated the remaining funds will be from the syndication of tax credits and private financing. Project affordability restrictions, which will be in effect for fifty years, and other conditions will be enforced through a recorded regulatory agreement. Since funds from the 1991 Tax Increment Program cannot be provided in the form of a loan, either a grant with recorded affordability covenants or a ground lease mechanism will be used.

Susan Wong, Chinese Community Housing Corporation, requested approval of item (e) and responded to questions from Ms. Tsen regarding project costs and the joint venture arrangements with A.F. Evans Company.

ADOPTION: It WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-91 BE ADOPTED.

- (f) Leamon Abrams, Chief, Economic Development, introduced item (f), which a workshop and consideration of adoption of a Revised Policy Statement and Expenditure Plan for Economic Development. In April 1989, the Agency adopted a Mission Statement on housing and economic development which identified goals, strategies and policy directions to be pursued. It established the Agency's primary mission to cooperate with other City agencies and community neighborhood groups to solve City-wide housing and development problems. The Agency adopted an Economic Development Policy which identified programs to be pursued with emphasis in minority communities where the need is greatest. \$5 million was budgeted in the Agency's 1988-1989 budget to implement the proposed programs and strategies. Since adoption of the Mission Statement, programs have been developed in financial assistance, employment assistance and neighborhood revitalization. Specifically, the funds have been used for: the establishment of a Small Business and Loan Investment Program which was initially capitalized with \$850,000; to date \$30,000 to provide job development services through community based non-profit organizations; acquisition of a site at 345 Williams Avenue in the South Bayshore for the development of a full service supermarket. Other activities included developing the Third Street Corridor Implementation Program, Technical Assistance Programs, Enterprise Zone designation and planning for the reuse of the Hunters Point Shipyard although, to date, funds earmarked for economic development have not been used for those purposes. The Policy Statement has been revised, however, all of the goals, programs, and strategies and objectives identified in the April 1989 statement have been included in the proposed revision. The spirit, intent and purpose of the original statement has not been changed or compromised by the revised Policy Statement which identifies two distinct but related focus efforts for economic development activities, namely: community development and

commercial development. It adds an additional operating principle to clarify the Agency's economic development focus and its role as the City's lead public development entity. The Expenditure Plan's operating principles are: long-term impact; economic feasibility; leveraging of private capital; target benefits; and public accountability. The Plan proposes to establish a \$3 million economic development fund to be known as the San Francisco Development Bank (SFBD) with two sub-funds: a capital fund to provide either equity or debt financing for business start-up, expansion and commercial revitalization and the Community Fund to provide funding for community-based economic development projects sponsored by non-profit corporations. It also proposes funding of \$1 million to establish the Third Street Commercial Area Revitalization Effort Program. Community workshops have been held on the revised Policy and Expenditure Plan and the Commission has been provided with a summary of the comments received. Upon approval of the Expenditure Plan, staff will develop a draft Policies and Procedures Manual which will be circulated to other City agencies, community organizations and members of the public.

Mr. Kitahata indicated that after public comments a process needs to be developed, in coordination with other City programs, on how to implement the program and determine how the money should be spent, although the final decisions will be made by the Agency Commission.

The following persons spoke regarding item (f): Harry L. Jamerson; Alfred Williamson; Willie Ratcliff; Ace Washington, WAPAC; Samuel Murray, President, New Bayview Committee; Abu Bakr; Dr. Eddie C. Welbon, African-American Joint Education, Business & Economic Development Commission; Geraldine Johnson, The Thursday Group; Essie Collins; Lefty Gordon, Ella Hill Hutch Community Center; Mary Ratcliff, New Bayview Committee; Felecia Jamerson; Ray Jones, Executive Director, Urban Economic Development Corporation; Arnold Townsend; and Ocie Mae Rogers.

Several of the speakers commended Mr. Abrams on his economic development efforts and communication with the community.

The speakers noted their concern regarding: the importance of community involvement in implementing the plan by holding more workshops; resident hiring requirements of Land Disposition Agreements are not being adhered to by the contractors; establishment of an Advisory Board; and that contracts should be awarded to those who live in the particular affected community.

Mr. Townsend noted that the Agency should use its leverage with financial institutions to assist Afro-Americans to secure loans and Mr. Abrams indicated that the Community Reinvestment Act will be used as a mechanism in this regard.

Minutes of a Regular Meeting, February 12, 1991

In response to an inquiry from President Bagot regarding two Commissioners being on the Committee, Mr. Abrams indicated that is a good idea, however, it has not yet been decided whether to have two Committees, one for Hunters Point and one for the Western Addition as there are two different sources of funds.

Mr. Helfeld indicated that the \$2 million earmarked for the South Bayshore cannot be spent unless it becomes a project area because it is tax increment money. This issue will be addressed in the coming months regarding expanding the Hunters Point Project Area so money can be spent in the South Bayshore.

Mr. King commended Commissioners Bolanos and Kitahata and Mr. Abrams for their efforts in bringing the economic development program to this point.

In response to concerns expressed regarding discriminatory hiring practices, Mr. Helfeld indicated that the Commissioners have been provided with staff memorandum on the Affirmative Action Status of Hillside Village and City View and the Minority-owned and Woman-owned Business Enterprise Program and Resident Employment.

Ben Hattem, Agency Affirmative Action Officer, summarized the affirmative action requirements of Land Disposition Agreements in the various project areas and responded to questions from the Commissioners regarding minority hiring percentages.

In response to an inquiry from Ms. Tsen, Mr. Hattem indicated that the Agency is doing the monitoring and Young Community Developers (YCD) is providing the referrals. Ms. Tsen indicated that staff should work with YCD to review what the range of issues and viewpoints are.

President Bagot indicated that a public meeting will be held with YCD in attendance to discuss the problem the community has with the Agency's figures on affirmative action hiring and to look into the allegations.

In response to a concern expressed, Gene Suttle, Senior Deputy Executive Director, described the extensive Agency meeting notification process.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 39-91, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot announced that there would be a brief recess. The meeting recessed at 6:35 p.m. and reconvened at 6:40 p.m. with the same roll call.

(g) Mr. Helfeld introduced item (g), which is a workshop on the Agency's 1991-1992 budget.

Minutes of a Regular Meeting, February 12, 1991

The following persons spoke regarding item (g): Rene Cazenave, Council of Community Housing Organizations (CCHO); Mary Rogers; Sue Hestor; Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens; John Elberling, TODCO; and Ace Washington, WAPAC.

Mr. Cazenave noted his concern that the housing allocation being requested is too high and that the Agency is not being realistic by making this request.

Mr. Cazenave, Ms. Hestor and Mr. Elberling noted that amount budgeted for the Cultural Board is too high and should be reduced.

Commissioners Bagot and Tsen noted their concerns about the question of homeownership versus rental as a public policy question that they would like CCHO to address because there is an ability to leverage more funds for rental from State and Federal sources, which would produce more housing, than for homeownership.

Mr. Cazanave indicated this subject should be discussed with the communities involved as CCHO does not have a position on homeownership versus rental, but indicated that by homeownership the community feels more empowerment and control of their community.

In response to an inquiry from Ms. Rogers, President Bagot indicated that the Agency does not have a program to provide subsidized loans for individuals to purchase the homes in which they already reside and tax increment money goes to nonprofits or developers who are producing subsidized housing. However, such a program will be investigated.

Gene Suttle, Senior Deputy Executive Director, noted that the Agency has two developments under construction in the Hunters Point area that will have subsidized mortgages.

Mr. Allen noted that the Cultural Board is a non-profit organization formed by the Agency to carry out its plans. He indicated that because there have been dramatic changes in the nature of the Yerba Buena Center Project since the Cultural Board submitted its budget, there are misconceptions today and the budget will be modified to reflect changes that have occurred in the project. Difficulty is being encountered in securing funding commitments because of the uncertainty of the project.

Mr. Mardikian noted his concern at the negative public comments regarding the Cultural Center and that it will not be operated by the Agency but by the Cultural Board which has two Agency Commissioners as members and a representative from the Mayor's Office. The Cultural Board is in a difficult position in preparing a budget because the construction schedule of the buildings is not known.

In response to an inquiry from the Commissioners, Mr. Helfeld indicated that staff will be briefing the Commissioners on the Yerba Buena Center budget before consideration of the Agency budget at the February 26, 1991 meeting.

Ms. Tsen requested a staff recommendation on a communication from the Chinese Chamber of Commerce regarding problems encountered as a result of the October 1989 earthquake.

In response to an inquiry from Ms. Tsen regarding funding for economic development groups, Mr. Helfeld indicated that in each case organizations being funded have a program objective and are tied to a specific project to carry out the Agency's Mission Statement.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, requested Agency assistance with the forthcoming WAPAC elections.

In response to an inquiry from Mr. Washington, President Bagot indicated that his relationship with Holly Court and the Bernal Heights Foundation do not involve any financial interest and therefore there is no conflict of interest.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity the Agency may negotiate with are: Central Blocks 1, 2 and 3 and East Block 3 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

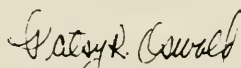
There will also be a Closed Session pursuant to Government Section 54956.9(a), litigation, the name of the case is the San Francisco Redevelopment Agency v. South Beach Marina Apartments, Ltd., and Bayside Village.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, February 12, 1991

APPROVED

March 12, 1991

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MINUTES OF AN ADJOURNED REGULAR MEETING
OF FEBRUARY 19, 1991 OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF SAN
FRANCISCO HELD ON THE
26TH DAY OF FEBRUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an Adjourned Regular Meeting of February 19, 1991 at 770 Golden Gate Avenue in the City of San Francisco, California at 2:00 o'clock p.m. on the 26th day of February, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

Sonia Bolanos (Arrived 3:55 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center; Ace Washington, WAPAC; Rick Devine, Consultant to the Glenridge Residents Council; Dino Di Donato, South of Market Problem Solving Council; James French, Skating/Bowling Committee for Yerba Buena Center; and Karen Fischer, Yerba Buena Center Cultural Board.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 4, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 18, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of December 18, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Special Closed Session of December 13, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On February 19, 1991, the Board of Supervisors passed the Disposition and Development Agreement for Farmers' Market in Bernal Heights. They also adopted the Bernal Heights East and South Slope Revitalization Feasibility Report, which requests that the City Planning Commission select a project area and formulate a preliminary plan for the Bernal Heights East and South Slope Area.
- (b) Last weekend the Martin Luther King, Jr. Memorial model and drawing were on display and seen by approximately 500 persons. On February 23 at the Cathedral Hill Hotel 300 guests of the Coalition of Black Trade Unionists viewed the model as well as the Mayor and Supervisor Kennedy. On February 24 at the Western Addition Public Library, where awards were being presented to 10 "unsung" heroes of the African-American Community, the model was seen by approximately 200 persons.
- (c) On February 25, the Fillmore Center Bonds and the Tax Exempt Bonds for Yerba Buena Center were introduced at the Board of Supervisors. These items should be before the Finance Committee of the Board in the next few weeks.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted he had received a letter from the Shanty Project who are requesting Agency assistance in purchasing a building and requested staff respond.
- (b) President Bagot inquired regarding to a telephone call received from Mildred Burrell of the Fillmore Merchants Association concerning the FTP Investment Corporation's proposed housing project at Bush and Steiner Streets and Gene Suttle, Senior Deputy Executive Director, indicated that the current operator of the Shell gas station was not offered the parcel by the owner who hopes for a better price by selling it for a housing development. He noted that he had talked to Ms. Burrell about this and would call her again.
- (c) President Bagot indicated that the Community Reinvestment Institute has invited him to be a speaker on April 18 regarding credit needs of moderate to low income San Franciscans. He requested Mr. Helfeld to designate an appropriate staff person to attend in his place.
- (d) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a meeting has been arranged with Supervisors Achtenberg and Gonzales to brief them on redevelopment.
- (e) President Bagot noted he had visited the Multi-Service Homeless Shelters and found them clean and well run.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a workshop on the Agency's 1991-1992 Budget and noted that action on this item would be continued to the meeting of March 5, 1991.

Robert Gamble, Senior Deputy Executive Director, Finance, described major modifications that have been made to the budget and responded to questions from the Commissioners on various budget allocations.

Mr. Helfeld noted that funds for the Yerba Buena Gardens Cultural Board have been put in a reserve account pending further review.

The following persons spoke regarding item (a): Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center; Ace Washington, WAPAC; Rick Devine, Consultant to the Glenridge Residents Council; Dino Di Donato, South of Market Problem Solving Council; and James French, Bowling/Skating Committee for Yerba Buena Gardens.

Mr. Allen referred to a letter received from John Elberling, TODCO, describing the importance of the Yerba Buena Gardens cultural facilities to the City.

Mr. Devine requested that, if possible, the amount of funds allocated for the Glenridge Project in Diamond Heights be increased.

In response to a request from President Bagot for a workshop on the Glenridge Apartments, Mr. Helfeld indicated this would be arranged when the project is further along. He noted that this will be the first time the Agency has had a category in the budget for HUD at-risk housing.

Mr. Di Donato thanked the Commissioners for the continuing commitment in the budget for the South of Market area and requested Commission assistance in securing funds from foundations.

Mr. French noted his support of funds for financing Central Block 3 in Yerba Buena Gardens and the need for recreational facilities in San Francisco.

Mr. Kitahata requested staff to consider his memorandum regarding a proposal to amend the budget to include funds for Establishing New Redevelopment Project Areas before action is taken on the budget.

President Bagot requested Housing Conservation and Development Corporation make a report to the Commission on their performance and status of hiring on Executive Director and other staff in the context of the funds budgeted, but not used.

In response to an inquiry from President Bagot regarding the Third Street corridor, Mr. Helfeld indicated that the matter of consultants will be before the Commission for consideration in the near future.

In response to an inquiry from Ms. Tsen regarding staffing in light of the hiring freeze, Mr. Helfeld indicated that there are five vacant positions and the top priority is to fill the position of a Development Specialist for Economic Development.

NEW BUSINESS- CONSENT AGENDA

At the request of Ace Washington, WAPAC, President Bagot indicated that item (c) would be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing a Personal Services Contract with Don Todd Associates, Inc. in an amount not to exceed \$20,000 for Cost Estimating Services; All Approved Redevelopment Project Areas and Certain Sites Outside any Redevelopment Project Area.
- (b) Authorizing a Letter Agreement in the amount of \$25,000 with the City and County of San Francisco Department of Public Health for consultation services regarding Hazardous Materials Mitigation and Related Matters.
- (d) Authorizing an Expenditure of \$6,500 for the purchase of a Facsimile Machine for the Executive Office and a Computer for the Agency Secretary.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (d), RESOLUTION NUMBERS 40-91, 41-91 AND 43-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Authorizing a Third Amendment which revises the Performance Schedule of the Land Disposition Agreement with Sprincin Development Partners IX for the development of Parcels 779-B and C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.

Mr. Helfeld indicated that more additional time is needed for submission of evidence of financing because the developer's lender has requested additional information and data from the independent appraiser contracted to evaluate the development.

Mr. Washington indicated he would like to discuss the project with staff and the developer.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-91 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in the 1991 Project Lease; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (e), which requests authorization of the execution and delivery of the 1991 Project Lease with the City and County of San Francisco, a Trust Agreement and an Assignment Agreement with Security Pacific National Bank, a Reimbursement Agreement with the City and County of San Francisco and the Mitsubishi Bank, Limited, an Escrow Agreement with Security Pacific National Bank, an Agency Purchase Contract with the City and County of San Francisco Joint Powers Financing Authority and an Official Statement in connection with Refinancing of the 1979 Moscone Convention Center Bonds; Yerba Buena Center. It is recommended this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

Ms. Bolanos arrived at this time, 3:55 p.m.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 44-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF MARCH 5, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Jack Robertson, Development Specialist, introduced item (f), which requests authorization of an expenditure of funds not to exceed \$525,000 for the acquisition of property located at 169 Seventh Street and 581 Natoma Street.
- (g) Jack Robertson, Development Specialist, introduced item (g), which requests authorization of an expenditure of funds not to exceed \$140,000 for the acquisition of property located at 185 Seventh Street.
- (h) Jack Robertson, Development Specialist, introduced item (h), which requests authorization of an expenditure of funds not to exceed \$150,000 for property located at 173 Seventh Street.
- (i) Jack Robertson, Development Specialist, introduced item (i), which requests authorization of an expenditure of funds not to exceed \$212,500 for property located at 583V and 585V Natoma Street.

These items relate to acquisition of properties in a total amount of \$1,027,500 in the South of Market Earthquake Recovery Redevelopment Project Area. The primary goal of the Redevelopment Plan, which was adopted by the Board of Supervisors in June 1990, is to replace approximately 500 low-income housing units destroyed in the October 1989 earthquake. Staff has been focusing its housing activities on constructing new affordable housing on vacant and under-developed sites in the area and rehabilitating existing residential properties damaged by the earthquake. Purchase

contracts have been entered into for six adjacent parcels totalling 11,375 square feet located at the southeast corner of Seventh and Natoma Streets. Five of the parcels are vacant land and one parcel is improved with an earthquake-damaged commercial building, which has not been identified as being architecturally or historically significant and would be demolished. It is proposed to develop the site as family rental housing which is one of the three priority housing types identified by the South of Market community. Although under current zoning the property once assembled would have an allowable density of 42 units, the construction of 20 to 30 larger family units with one-for-one parking is considered most appropriate because of the site's location along a residential alley. Based upon a total land price of \$1,027,500, it equals \$34,250 to \$51,375 per unit which is relatively high by Agency standards, however, development as a family project will house approximately 80 to 120 persons which translates into a land price of \$8,563 to \$12,844 per person. Harding Lawson Associates' waste assessment of the property resulted in findings that mitigation measures for the level of hazardous materials on the site should be relatively simple. Upon acquisition, Commission approval will be requested to issue a Request for Proposals from non-profit housing corporations to develop the site with selection preference being given to South of Market non-profits.

Dino Di Donato, South of Market Problem Solving Council, spoke regarding items (f), (g), (h) and (i).

Ms. Tsen noted that in terms of new construction it is preferable to look at family units and existing Single Room Occupancy units should be considered for rehabilitation.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 45-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 46-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 47-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 48-91, BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests approval of an Amendment to the Development Sublease Agreement between Delancey Street Foundation and Embarcadero Triangle Associates which provides for a transfer of general and limited partnership interests in Embarcadero Triangle Associates for improvements located on Site J in Rincon Point-South Beach. It is recommended this item be tabled.

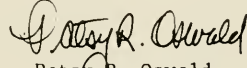
Minutes of an Adjourned Regular Meeting, February 26, 1991, 2:00 p.m.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), RESOLUTION NO. 49-91, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

ADJOURNMENT

It was moved by Mr. King seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

March 26, 1991

SF
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2/26/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF FEBRUARY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 26th day of February, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: William Wahrhaftig, WANA; Loretta Starvas Stack and B.L. Canty, Glenridge Apartments; Ace Washington, WAPAC; Essie Collins; Willie and Mary Ratcliff, Liberty Builders; Mary Jane Staymates, WANA; Lefty Gordon, Ella Hill Hutch Community Center; Gloria Kelly, San Francisco Clearing House; Donneter Lane; Dino Di Donato; South of Market Problem Solving Council; Sheila Collier; and Buz Buitrago, San Francisco Neighborhood Legal Assistance Foundation.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a proposed Agency Budget for the period July 1, 1991 to June 30, 1992, with the exception of funding for the Yerba Buena Gardens Cultural Operating Board, and authorizing the Executive Director to submit it to the Mayor and Board of Supervisors. It is requested this item be continued.

The following persons spoke regarding item (a): Luz Buitrago; San Francisco Legal Assistance Foundation; Loretta Starvas Stack, Glenridge Apartments; Ace Washington, WAPAC; and Essie Collins.

President Bagot requested residents of Glenridge Apartments make their support of the Agency's budget known to the Board of Supervisors.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 50-91, WOULD BE CONTINUED TO THE MEETING OF MARCH 5, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of January 29, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of February 5, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Commissioners have been provided with an informational memorandum on security, operation and maintenance funding required for the Yerba Buena Gardens and facilities.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response from an inquiry from President Bagot regarding a claim by Willie Ratcliff, Liberty Builders, against the Fillmore Center for uncompensated work, Gene Suttle, Senior Deputy Executive Director, indicated the matter is subject to arbitration and the Agency cannot interfere in a dispute between a developer and contractor.
- (b) In response to an inquiry from Ms. Tsen regarding a request for staff and Young Community Developers to investigate accusations by the community on affirmative action and minority hiring in Hunters Point, Mr. Suttle indicated that a workshop on this subject is scheduled for the March 5, 1991 meeting.

NEW BUSINESS

- (b) Mr. Helfeld introduced item (b), which requests authorization to advertise a contract for the Demolition and Site Clearance of 1956-1960 Sutter Street in the Western Addition A-2. In May 1986, at which time Commission approval to advertise this contract was requested, concern was expressed by Mary Jane Staymates, an adjacent property owner, at the lack of a scheduled plan for development on the site because demolition would create security problems if it were left open for a long period of time. This resulted in language being incorporated in the resolution that demolition must be coordinated with the anticipated date of new construction and timely written notice given to Ms. Staymates. The site is adjacent to the Amelia, a residential and commercial complex which was developed by Joe Skiffer who intends to develop Phase II of the Amelia on the subject site and on an adjacent vacant parcel.

In this connection, a Land Disposition Agreement is scheduled for a public hearing in March 1991. The structure has been vacant since 1984 and has numerous code and structural deficiencies. Despite continuous efforts by staff to secure the building it is regularly broken into by trespassers who occupy the building and create problems for residents in adjacent buildings. Since rehabilitation is economically infeasible and the building has no architectural merit, demolition and site clearance will eliminate the liability associated with its maintenance. In addition, demolition is supported by neighboring property owners, including Ms. Staymates, and the Western Addition Neighborhood Association. Staff's estimate for demolition and site clearance is \$40,000.

The following persons spoke regarding item (b): William Wahrhaftig and Mary Jane Staymates, WANA; Ace Washington, WAPAC; and Lefty Gordon, Ella Hill Hutch Community Center.

Mr. Wahrhaftig and Ms. Staymates noted their support for item (b)

Mr. Washington noted his opposition to item (b).

Mr. Gordon indicated that the developer should share the plans for the site with the community.

Mr. Helfeld indicated that staff are working with Joe Skiffer and when a formal proposal is received it will be shared with the public.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to transfer funds in an amount of \$65,000 to the Department of Social Services (DSS) for use in contracting with Independent Housing Services (IHS) for Housing Resource and Development and Client Services in conjunction with their Homeless Prevention Program. At the January 8, 1991 meeting, when approval of a contract between the Agency and IHS was requested, the Commission questioned the appropriateness of the Agency monitoring this contract when the Mayor's Office of Community Development and DSS already have that experience and requested staff to explore other alternatives. DSS has been working with a number of local City agencies to form an unprecedented interdepartmental approach to homelessness in San Francisco and intends to enter into a contract with IHS and will provide contract supervision, mainly because there is a large overlap in clients and the Department and IHS have a common homeless prevention goal. Assurance has been received from the Mayor's Office of Community Development that supervision and monitoring by their office as well as DSS will preclude any possible duplication of services and payments. IHS, a non-profit technical assistance provider, has been in operation since 1981 and as part of their program, direct and indirect homeless prevention services are provided by one of their projects, the San Francisco Clearing House. The organization currently holds contracts for related work from the Mayor's Office of Community Development, the San Francisco Commission on Aging and HUD. DSS funding combined with grants IHS

receives from several foundations will provide full funding and enable achievement of the project's objective which is to prevent homelessness by developing essential housing resources and providing related services.

Ace Washington, WAPAC, noted his opposition to item (c).

Gloria Kelly, San Francisco Clearing House, requested approval of item (c).

Following a discussion between the Commissioners and staff, it was the consensus of the Commission that the funding be approved with the understanding that as a policy matter it should not be a recurring item because it sets a precedent for requests from other groups in that category, which budgets should be under housing services with the City and that the Mayor's Office be so advised.

Mr. Helfeld noted that funding should not be considered as cutting something out of the current budget and during budget negotiations it will be presented as an addition.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Fourth Amendment to the Agreement for Legal Services with McDonough, Holland & Allen in connection with All Redevelopment Project Areas. This firm has been providing services to the Agency since 1985, mostly recently relating to document preparation for the agreement between the Agency and Housing Associates for the West Bay Community Center and various tax increment financing issues for the Western Addition A-2 Project Area. Continuing services are needed to handle any appropriate modifications to this agreement and to the Fillmore Center Land Disposition Agreement and for consultation on tax increment financing and other issues, such as redevelopment law relating to homeless shelters. The proposed amendment would: expand the Scope of Services to cover any and all matters of Agency business, including survey areas and other matters upon request of Agency General Counsel; and increase the amount payable by \$75,000 for a total contract amount of \$250,000. The firm's affirmative action program is considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-91 BE ADOPTED.

- (e) Bill Rumpf, Chief, Housing and Production Management, introduced item (e), which requests authorization for the Executive Director to exercise the Agency's Repurchase Options, or to assign the Options to qualified low or moderate income first-time buyers, with respect to 140 Jerrold Avenue and 155 Cleo Rand Avenue in the Morgan Heights development in Hunters Point. In December 1986, an agreement was entered into with BRIDGE Housing Corporation for the construction of 63 condominiums in Hunters Point. The units were sold subject to five-year repurchase options to prevent speculation and to assure that they would remain affordable for at least seven years. Since

these are the first two units in Morgan Heights to offer repurchase options, the question is raised whether to keep the same affordability restrictions used at the time of the initial sale or use the restrictions contemplated for more recent homeownership projects in Hunters Point. This issue is being reviewed by Agency Legal Staff and will be brought before the Commission for policy guidance within the next sixty days. The approximate repurchase cost of 140 Jerrold, a two-bedroom unit is \$108,000 and 155 Cleo Rand, a three-bedroom unit, \$118,000. Written notification of the Agency's intent to exercise its repurchase options must occur by March 5, 1991 and then additional time to May 5, 1991 would be permitted to complete the purchases or find qualified buyers. The Morgan Heights Homeowners Association has a waiting list of five potential applicants and it recommended first priority be given to persons on that waiting list. A mailing list from recent Hunters Point Homeownership Workshops, at which there were over 600 attendees, will also be used. In the event qualified buyers cannot be identified within the time limits, staff recommends that the Agency exercise the options directly to prevent the homes being sold without price or income restrictions.

Donneter Lane indicated that changes in affordability restrictions should apply only to new developments.

Mr. Helfeld indicated that the background of the Morgan Heights project would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-91 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in the Agency entering into Amendments to the Hotel Lease and Ninth Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (f), which requests authorization of an Agreement between the Agency and Marriott Corporation; a Ninth Amendment to the Restated and Amended Disposition and Development Agreement (DDA) between the Agency and YBG Associates, including an assignment of the interest of YBG Associates in the DDA to Yerba Buena Gardens, Ltd. (YBG LTD.); an Amended and Restated Reciprocal Easement Agreement (REA) for Central Block 1 (CB-1) among Agency, the tenant under the Hotel Ground Lease and YBG Ltd; a Second Amendment to the Ground Lease for the Marriott Hotel Parcel between the Agency and YBG Associates (the Hotel Ground Lease); and a Third Amendment to the Hotel Ground Lease; in connection with Yerba Buena Gardens in Yerba Buena Center. Marriott and Olympia & York, the General Partner of YBG Associates, have been negotiating with the Agency certain changes in the Hotel Ground Lease, the DDA and REA. The principal purpose of these changes is to enable Marriott to refinance the hotel improvements immediately through an offshore securitized bond financing, to sell the tenant's interest in the

Hotel Ground Lease and the Hotel improvements at some time in the future, and to make other changes to facilitate the development of Yerba Buena Gardens. These proposed changes will meet the needs of YBG Associates, Marriott and Marriott's underwriter. Marriott has agreed to pay the Agency a total of \$10 million, \$6.7 million upon closing of the loan and \$1.1 million annually for three years beginning when any of the Gardens or other public facilities on Central Block 2 (CB-2) are opened for use, but no earlier than December 31, 1992. With limited exceptions, all of the funds are to be used in connection with the public facilities and amenities on CB-1, CB-2 and CB-3. Marriott has also agreed to make certain changes in the Affirmative Action Agreement which include: extending the term to October 17, 1995; requiring certain additional reports regarding the composition of the hotel workforce; and establishing a hiring "hot line" which will enable community-based organizations to determine openings in the hotel's workforce on a daily basis; and to authorize use by the Agency of \$600,000 out of the \$10 million for grants to community-based organizations engaged in job training and job referral activities in the South of Market area. At the end of the month of January 1991, Marriott had 1,404 hotel employees of which 65.9 percent were minority group persons, 41.7 percent were women and 53.6 percent were residents of San Francisco. Marriott is exceeding the goal for minority group persons in nine of the ten employment groups and they continue to make progress in the latter. It has always been anticipated that Marriott would seek to sell the hotel and continue to operate it through a management agreement, however, it is unable to do so at the present time due to dramatic changes in the real estate and financing markets. The proposed document changes will result in considerable benefits for the Marriott and the Agency and enable Marriott to effect a refinancing and move on to an eventual sale. There is nothing contained in the agreements that alters the Hotel Ground Lease Tenant's current minimum rent or percentage rent obligations. In addition, staff and outside counsel have concluded that the changes are consistent with current financing practices with respect to completed projects and they do not materially impair the Agency's customary rights as a ground lessor or as a redevelopment agency.

The following persons spoke regarding item (f): Dino Di Donato, South of Market Problem Solving Council; and Lefty Gordon, Ella Hill Hutch Community Center.

The speakers noted the need to reconvene the Marriott Advisory Group.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-91 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Willie and Mary Ratcliff, Liberty Builders, requested Agency assistance with their claim against the Fillmore Center for uncompensated work.

Gene Suttle, Senior Deputy Executive Director, indicated that he has discussed the matter with Fillmore Center personnel who indicated their legal counsel advises there is a process which includes arbitration which will lead to a settlement. Because this is a dispute between a developer and contractor, the Agency cannot intervene and can only urge the matter be expedited. Mr. Suttle indicated that a written progress report will be provided to the Ratcliffs.

In response to an inquiry from President Bagot, David Madway, Agency General Counsel, indicated that the Agency could examine the records to determine whether there are incidents of disparate treatment, namely, whether contractors or subcontractors are being treated differently based upon race. If this is the case then the Agency can move forward to take corrective action and use whatever remedies are provided for in the contract or by law. However, if it is nothing more than a dispute between a developer and contractor, it is outside the Agency's purview.

President Bagot indicated that staff would investigate as to whether there has been systematic discrimination by the developer and report back to the Commission, and also requested that the Ratcliffs put their allegations and evidence in writing.

- (b) Ace Washington, WAPAC, indicated that the African-American communities are being treated unfairly.

President Bagot announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates;

southeast corner of Bush and Steiner Streets in the Western Addition A-2 with FTP Corporation;

Pier 41 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Associates.

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) on the subject of litigation. The names of the cases are the San Francisco Redevelopment Agency v. South Beach Marina Apartments, Ltd. and San Francisco Redevelopment Agency v. Bayside Village.

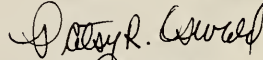
There will also be a Closed Session pursuant to Government Code 54957 on Personnel.

Minutes of a Regular Meeting, February 26, 1991, 4:20 p.m.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations, two Closed Sessions on Litigation and a Closed Session on Personnel. The meeting adjourned at 6:15 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy B. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy B. Oswald
Agency Secretary

APPROVED

March 26, 1991

SF
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3/5/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF MARCH, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of March, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following was absent:

Sonia Bolanos

The President declared that a quorum was present.

Gene Suttle, Senior Deputy Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Essie Collins; Lefty Gordon, Ella Hill Hutch Community Center; Willie and Mary Ratcliff; Geraldine Johnson; Orelia Langston; James Bell and James McCroy, San Francisco Housing Development Corporation; John Elberling, TODCO; Donner Lane; Raymond Martin, Clara Rogers, Curtis Kelley and Toye Moses, Young Community Developers; Dr. Rhody McCoy and Carole McCoy, Future Perfect, Inc; Alvin Norman; August Sanford; Sam Murray; Katherine Nash, WANA; Jamie Lockett and Yvette McCoy, Progress Seven; B. Jones; Officer Mahoney, San Francisco Police Department; Marcellous Nabors and Tamiko Lee, Nabors Electric; Karen Fischer, YBG Cultural Center; and John Jenkins, Jenkins Trucking.

Representing the press was: Ing Fei Chin, San Francisco Chronicle; and Cheryl Tsiu, KTSF, Channel 26.

UNFINISHED BUSINESS

Public Hearing to hear all persons interested in the 1991 Project Lease; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests authorization of the execution and delivery of the 1991 Project Lease with the City and County of

San Francisco, a Trust Agreement and an Assignment Agreement with Security Pacific National Bank, a Reimbursement Agreement with the City and County of San Francisco and the Mitsubishi Bank, Limited, an Escrow Agreement with Security Pacific National Bank, an Agency Purchase Contract with the City and County of San Francisco Joint Powers Financing Authority and an Official Statement in connection with Refinancing of the 1979 Moscone Convention Center Bonds; Yerba Buena Center. It is recommended this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 44-91 AND THE PUBLIC HEARING, WOULD BE CONTINUED TO THE MEETING OF MARCH 12, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Suttle introduced item (b), which requests approval of a proposed Agency Budget for the period July 1, 1991 to June 30, 1992, with the exception of funding for the Yerba Buena Gardens Cultural Operating Board, and authorizing the Executive Director to submit it to the Mayor and the Board of Supervisors.

Robert Gamble, Deputy Executive Director, Finance, described modifications to the budget and responded to questions from the Commissioners and the public.

The following persons spoke regarding item (b): Ace Washington, WAPAC; Essie Collins; Lefty Gordon, representing: Ella Hill Hutch Community Center, Mission Hiring Hall and Young Community Developers; Mary Ratcliff; Geraldine Johnson; and Orelia Langston.

Executive Director Edward Helfeld arrived during the speaker presentations, 4:40 p.m.

The speakers noted that all the funds designated for the Western Addition should be used for projects in that area and their concern regarding how economic development funds should be expended.

Ms. Ratcliff noted that it was important to include strong affirmative action and resident hiring language in agreements and preference be given to African-Americans for Bayview Plaza.

In response to an inquiry from President Bagot, Mr. Suttle indicated Supervisor Kennedy's letter has been responded to and assurances made that the monies allocated for the Western Addition will be spent on projects directly relating to that area.

In response to an inquiry from President Bagot, Mr. Gamble suggested the \$200,000 to study the Croson case be held in reserve pending discussions with the City regarding rejoining the Agency in the joint study from which they have withdrawn.

Mr. Kitahata noted his requested amendment to the budget to include Establishing New Redevelopment Project areas and his desire for staff to explore new opportunities.

Ms. Tsen noted the importance to economic development of community-based non-profit organizations that are being funded by the Agency and the need to continue looking at their track record and that the \$2 million allocation for Chinatown will assist small businesses in that area that were affected by the 1989 earthquake.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On March 4, there was a Press Conference for the ceremonial signing of a loan with Loretta Whittle, a resident of Hunters Point, who will be opening Yogurt Expressions Shop in the Bayview Plaza at Third and Evans. The loan will be administered by the Agency and the Mayor's Office of Business and Economic Development. Commissioners King, Mardikian and Tsen were in attendance as well as Deputy Mayor James Ho.
- (b) On March 14, 1991 at 1:30 p.m. there will be will be a Special Meeting of the Agency to hold a Joint Public Hearing with the City Planning Commission regarding a draft supplement to the Final Environmental Impact Report for the proposed Redevelopment Plan Amendment for Rincon Point-South Beach. The meeting will be held at City Hall, Room 282.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata referred to a letter from Mayor Agnos to the Navy and noted he was pleased to see it being publicly noticed that the Agency has lead responsibility in negotiations for the Hunters Point Shipyard.
- (b) Mr. Kitahata indicated that in regard to the Agency's Economic Development Policy he would like to see staff follow-up with UCSF in locating a suitable site for their operations.
- (c) President Bagot welcomed Ing Fei Chin, reporter for the San Francisco Chronicle.
- (d) President Bagot requested a copy of staff response to a letter received from OMI regarding housing development in Oceanside-Merced Heights-Ingleside district.

NEW BUSINESS- CONSENT AGENDA

At the request of Ace Washington, WAPAC, President Bagot indicated that item (c) would be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing a Fifth Amendment to the Personal Services Contract with Wes Willoughby which increases the amount payable by \$18,000 and extends the term of the contract to September 30, 1991.
- (b) Authorizing an expenditure of funds in an amount not to exceed \$1,550 to Anacomp for the purchase of a Diazo Fiche (Microfilm) Developer for the Agency's Central Records Office.
- (d) Authorizing an extension of Exclusive Negotiations, until April 10, 1991, with Hilborn Hoover Properties for the purchase of the Pier 42 Bulkhead Building and the sublease of a portion of Pier 40; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (d), RESOLUTION NUMBERS 56-91, 57-91 AND 59-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Ratification of travel for Buck Bagot, Agency Commission President, to attend the 1991 National Low-Income Housing and Community Development Funders Conference in San Diego, California, February 21-24, 1991, at a cost not to exceed \$1,100.

At Mr. Washington's request, Mr. Helfeld provided additional information on item (c).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-91 BE ADOPTED.

- (e) Gene Suttle, Senior Deputy Executive Director, introduced item (e), the purpose of which is for a Progress Report on the Housing Services Contract with the San Francisco Housing Development Corporation (SFHDC) and a presentation by SFHDC Board Members. At the February 26, 1991 Agency meeting, the Commissioners requested a progress report on SFHDC's efforts to establish this new non-profit housing corporation and to carry out the housing services for which the Agency has allocated \$200,000 from its 1990-1991 budget. Approximately \$6,500 has been disbursed to cover start-up costs of the organization and the balance of the funds will be administered and disbursed by the Mayor's Office of Housing. SFHDC has entered into a \$1,500 contract with the San Francisco Clearing House to assist in start-up operations and is considering retaining a consultant on a temporary basis to perform marketing functions needed on the Hunters Point homes now under construction. \$145,000 is proposed for the 1991-1992 budget for the 1991-1992 budget for housing marketing services, which will be needed for the type of homebuyer education efforts, pre-screening and other services that SFHDC has contracted to

provide. To date, no staff have commenced employment and virtually all activities have been done on a volunteer basis by board members who have also participated in workshops for the Hunters Point homes.

President Bagot complimented the Board Members of SFHDC on their achievements without staff in place and indicated that this progress report has been requested because other non-profit organizations funded by the Agency are required to report to the Commission on a quarterly basis.

James Bell, President, SFHDC, introduced the Board members present and reported on activities to date.

The following persons spoke regarding item (e): Ace Washington, WAPAC; and Geraldine Johnson.

In response to an inquiry from Mr. Bell, Ms. Tsen indicated that a progress report has been requested because unused funds in the budget were carried over from last year and the need for continued funding has to be determined. She noted that the Board was hard working and dedicated to creating a non-profit for African-Americans and this Commission wants to assist them to be successful. It is important and critical this year to get staff together. She noted funds come from the Agency for capital improvements and from the Mayor's Office of Housing for administration in future years.

Mr. Helfeld indicated that monitoring is being done by the Mayor's Office.

President Bagot requested SFHDC keep the Commission informed of their progress through staff.

- (f) Mr. Helfeld introduced item (f), which requests authorization to disburse funds in an amount not to exceed \$250,000 and take any other actions necessary to acquire 155 Cleo Rand Avenue and 140 Jerrold Avenue located in Morgan Heights in Hunters Point; and to resell the units to qualified low and moderate income households, subject to long-term affordability restrictions. The Land Disposition Agreement for units in the Morgan Heights development, which were made affordable through HUD assistance and Agency subsidies, contain a restriction that the Agency has the right to repurchase any units sold within a five year period, however, no affordability restrictions were imposed on units sold after five years. To impose new affordability restrictions, it is necessary for the Agency to take title and resell the homes subject to the affordability mechanisms used on the more recent Hunters Point developments. The affordability restrictions would only apply to buyers of the subject two units and would not affect other Morgan Heights homeowners. It is proposed that the Agency exercise its right of repurchase to acquire these two townhouse units in order to ensure they remain affordable on a long-term basis. The maximum income for the purchasers would continue to be based on a four person household at 120 percent of

the median. The units will first be offered to five persons who remain on the list from the initial effort to market the units and then to Certificate Holders and to those who signed-up to purchase homes in Hunters Point. The Commissioners have been provided with background information on the Morgan Heights project.

The following persons spoke regarding item (f): John Elberling, TODCO; and Donnetter Lane.

In response to an inquiry from Mr. Elberling, Bill Rumpf, Chief, Housing and Production Management, gave further information on the affordability restrictions and the program.

Ms. Lane noted her concern at the impact the resale of the units with new affordability restrictions will have on the other residents of the Morgan Heights development and indicated that new affordability restrictions should only apply to new developments.

In response to an inquiry from Ms. Tsen, Mr. Helfeld indicated he believed the five year affordability restriction was communicated to the Commissioners at the time the BRIDGE proposal was before them, however, this will be researched and further information provided to the Commission.

Ms. Tsen noted the Agency has put a lot of money into this project and the affordability restrictions should provide for occupancy by low-income persons for future generations.

Mr. Kitahata inquired if the remaining City Mortgage Revenue Bond Issue monies can be used for other housing and Mr. Rumpf indicated he would investigate.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Fourth Amendment to the Hazardous Materials/Waste Consulting Contract HM/WC-1 with Harding Lawson Associates for Hazardous Materials and Waste Consulting Services in connection with All Approved Redevelopment Project Areas and certain sites outside any Redevelopment Project Areas. The original contract was approved in 1988 and its purpose is to assist the Agency in determining how to mitigate the presence of hazardous materials found on development sites which include Agency-owned property, property considered for purchase, parcels under Land Disposition Agreements and Port properties under lease. In addition to studies currently underway, there is an anticipated need to investigate other sites for development, particularly affordable housing sites in the South of Market area. The proposed amendment, which increases the amount payable by \$60,000 for a total contract amount of \$260,000, will provide for continuing services to complete ongoing investigations and provide the

capability to perform future site assessments and determine corrective measures as needed on other sites. The Commissioners have been provided with details of the firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests approval of the selection of and authorizing contract negotiations with Adele Naude Santos and Associates to provide architectural services for the Children's Facilities on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. A selection process was begun in August of last year for an architect for the Children's Facilities on CB-3, which building program includes a Child Care Center, a Carousel and Carousel Museum, "Children's Place" and an Ice Rink, all set in an active Children's Garden. Interviews were held and after extensive discussions the Interview Panel recommended Adele Naude Santos. All of the firms interviewed possess the capacity and creativity to produce an outstanding project. The Panel is confident that it has considered some of the best firms in the nation to meet the demands of this challenging site and unique program. Ms. Santos brings a range of relevant experience to the project and in all of her works, she has shown an ability to create a space envisioned for this part of Yerba Buena Gardens. As the first appointed Dean of the School of Architecture at the University of California in San Diego, she has been encouraged by the University to continue her private practice and she views the Yerba Buena Gardens project as a major commission. Ms. Santos' firm in Philadelphia, which includes Alan Levy, a nationally known architect, urban designer and advocate of environmental education will assist her San Diego office. The team also plans to select a Bay Area architect and other consultants to further assist the project. The design contract will provide for complete architectural services through construction of the project. With selection of the Architect and Landscape Architect for CB-3 now complete, the Agency will be able to begin an intensive programming and master planning effort for the Block as soon as potential operators are identified, which selection is scheduled during the next two months.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-91 BE ADOPTED.

President Bagot announced there would be a brief recess. The meeting recessed at 6:17 p.m. and reconvened at 6:25 p.m. with the same roll call.

- (i) Gene Suttle, Senior Deputy Executive Director, introduced item (i), which is to provide a status report on affirmative action activities regarding the Hillside Village and City View developments now under construction in Hunters Point.

Presentations were made by: Ben Hattem, Agency Affirmative Action Officer; Sylvester McGuire, Agency Affirmative Action Specialist; and Raymond Martin, Young Community Developers.

The following persons spoke regarding item (i): Willie Ratcliff; Dr. Rhody McCoy, Future Perfect, Inc; Alvin Norman; Lefty Gordon, Ella Hill Hutch Community Center and Board Member, Young Community Developers; Mary Ratcliff; and August Sanford.

President Bagot indicated that this workshop is being held because specific verbal allegations were made about the Agency and its staff and affirmative action performance by contractors at Redevelopment projects.

Dr. McCoy described the selection process for hiring sub-contractors and noted that the purpose of the workshop no longer exists because the reported allegations are unfounded and cannot be substantiated.

Following a discussion between the Commissioners, staff and the public, it was the consensus of the Commission that because allegations made have not been substantiated that future allegations be submitted in writing through staff who will report to the Commission.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) In response to an inquiry by Sam Murray, President Bagot indicated funds are provided in the Agency's 1991-1992 budget for toxic studies at Hunters Point Shipyard.
- (b) In response to an inquiry from Essie Collins, Mr. Suttle indicated that housing expenses in the budget are tax increment monies which are divided equally between the Western Addition and Hunters Point housing related activities.

In response to a request by Ms. Collins to amend the budget before it is submitted to the Mayor and Board of Supervisors to designate funds in the budget for a non-profit organization to assist Fillmore Market Place Associates, Mr. Suttle indicated this item has not been budgeted for because the developer has not yet submitted a proposal.

Ms. Tsen noted that a number of public hearings have been held on the budget which has now been approved by the Commission, however, a written request can be made to staff who will make a recommendation to the Commission or the request can be submitted directly to the Mayor's Office.

- (c) Mary Ratcliff spoke regarding problems encountered at the Fillmore Center by minority contractors. She further requested if names are included in Agency documents that the person involved be contacted for verification of the content of the documents.

- (d) August Sanford noted the problems he had encountered with Fillmore Center as a minority sub-contractor.
- (e) Alvin Norman noted he also had encountered problems at the Fillmore Center, however, the Agency should not be expected to intervene and the persons involved should seek legal advice.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

241 6th Street in the South of Market Earthquake Recovery Area with Naurabhai Patel.

There are two additional Closed Sessions which arose subsequent to posting of the agenda on Friday, March 1, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON MARCH 1, 1991.

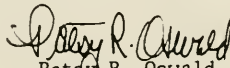
The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at Bush and Steiner Streets in the Western Addition A-2 and the entity the Agency may negotiate with is FTP Investment Corporation.

The second item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, March 5, 1991

APPROVED

March 26, 1991

R35
#4
3/12/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF MARCH, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of March, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President **DOCUMENTS DEPT.**
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following were absent:

Buck Bagot, President (Arrived 4:15 p.m.)
Sonia Bolanos

The Acting President declared that a quorum was present.

Gene Suttle, Senior Deputy Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Rick Mariano, Delancey Street Foundation; John Elberling, TODCO; and Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of February 12, 1991, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS- CONSENT AGENDA

- (a) Authorizing the execution of a \$500,000 grant to Neighborhood Housing Renewal Corporation III, in place of Asian, Inc., for the acquisition and rehabilitation of a 48-unit apartment building located at 575 Eddy Street as part of the City-wide Tax Increment Housing Program.
- (b) Appointing Bank of America, Institutional Trust Services as Custodian of Custody Accounts, which accounts are required to invest bond proceeds.
- (c) Adopting a Resolution commemorating April 1-7, 1991 within the City and County of San Francisco as Community Development Block Grant Program and National Community Development Week.

- (d) Authorizing an expenditure in an amount not to exceed \$4,000 to pay the Management Center to analyze the Cultural Center's budget for Fiscal Year 1991-1992; Yerba Buena Center.
- (e) Authorizing an expenditure of \$3,400 for the Data Processing Manager and Senior Programmer Analyst to attend IBM AS/400 System 38 Technical Conferences.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (e), RESOLUTION NUMBERS 63-91, 64-91, 65-91, 65-91, 66-91 AND 67-91, BE ADOPTED.

Acting President Tsen indicated that item (f), New Business, would now be taken-up.

NEW BUSINESS - REGULAR AGENDA

- (f) Public Hearing to hear all persons interested in the proposal of Delancey Street to transfer and assign all of its rights, title and interest to Embarcadero Triangle Associates as it relates to Site J; Rincon Point-South Beach.

Acting President Tsen opened the Public Hearing to hear all persons interested in this matter.

At this time, Acting President Tsen turned the chair over to President Bagot, 4:15 p.m.

Mr. Suttle introduced item (f), which requests approval an assignment to and assumption by Embarcadero Triangle Associates (the Partnership), a California Limited Partnership, of Delancey Street Foundation's (Delancey) interest in the Development Sublease for the Embarcadero Triangle property, bounded by First Street, Brannan Street and the Embarcadero in Rincon Point-South Beach; the placing of a Purchase Money Mortgage as a lien on the property; the transfer of Delancey's interest in the improvements to the Partnership to Kaufman and Broad Embarcadero, Inc. and Related Embarcadero Associates, Inc. In September 1987, Delancey entered into a Development Sublease Agreement with the Agency for the development of 177 affordable residential units on the site. In August 1990, for the purpose of submitting application to the Tax Credit Allocation Committee, Delancey formed Embarcadero Triangle Associates and the two parties executed an Option Agreement to satisfy tax credit application threshold requirements. Subsequently, the Commission approved a Development Sublease between Delancey and the Partnership. To permit control and operation of the project by Delancey, the project is being leased by the Partnership to Delancey for forty years. The Sublease Agreement provides Delancey with an option to purchase the property after fifteen years. Delancey proposes to transfer the Development Sublease to the new Partnership, comprised of related Embarcadero Associates, Inc. as general partner, and Kaufman and Broad Embarcadero, Inc. as investor limited partner, for the purpose of selling Low Income Tax

Credits reserved for the Embarcadero Triangle Project. Delancey would then enter into a Master Lease and Right of Repurchase of Agreement with the partnership. As consideration for selling the project to the Partnership, Delancey will receive \$6.3 million in cash, payable \$50,000 now and the balance in installments over seven years. Delancey could receive the full \$6.3 million this year if the note is sold to an investor. The Partnership is paying the balance of the purchase price by assuming the City's loans to the project of approximately \$4 million and with a purchase money note of approximately \$8.3 million. Delancey will use the proceeds of the tax credits to pay off the balance of a construction loan of approximately \$1.5 million and use the remaining proceeds to fund project reserves and to repay a portion of Delancey's contributions to the project which exceeded \$15 million in the form of equity and labor.

Executive Director Edward Helfeld arrived during Mr. Suttle's presentation, 4:17 p.m.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-91 BE ADOPTED.

President Bagot indicated that item (a), Unfinished Business, would now be taken up.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the 1991 Project Lease; Yerba Buena Center.

President Bagot opened the Public hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of the execution and delivery of the 1991 Project Lease with the City and County of San Francisco, a Trust Agreement and an Assignment Agreement with Security Pacific National Bank, a Reimbursement Agreement with the City and County of San Francisco and the Mitsubishi Bank, Limited, an Escrow Agreement with Security Pacific National Bank, an Agency Purchase Contract with the City and County of San Francisco Joint Powers Financing Authority and an Official Statement in connection with Refinancing of the 1979 Moscone Convention Center Bonds; Yerba Buena Center. Although the Moscone Convention Center expansion project is expected to be completed within budget, the Chief Administrative Officer (CAO) has indicated there is basically no contingency available for overruns and refinancing of the bonds would provide additional cash of approximately \$6 million. The original Moscone bonds were structured with a debt service reserve equivalent to approximately one year's debt service. Due to changes in the bond market, the bonds can now be refinanced without a debt service reserve. As a result of the improved

interest rate environment, there will also be a savings in the annual debt service on the remaining years of the bonds of approximately \$700,000 annually under current conditions. In order to assist the Agency with the completion of the Yerba Buena Gardens, the CAO has agreed to provide financial assistance to the Agency as part of this refinancing. The detailed terms of this assistance are outlined in the letter from the CAO attached to your memo and the reply from the Executive Director. In summary, the CAO has agreed to provide up to \$3 million to the Agency from the \$6 million contingency created by the refinancing as long as these funds remain available after settlement of all construction claims on the Moscone expansion project. Additionally, the CAO has agreed that the Agency may capture any proceeds created by a refinancing of the 1988 Moscone bonds as long as the debt service on those bonds is not increased. It has been estimated that such a refinancing could yield, in current market conditions, approximately \$4 million. The CAO has expressed a preference that the proceeds of the current refinancing be utilized for the construction of the theater. We have agreed to do this if possible, but have reserved the right to use the funds for other purposes if necessary. This financing will be the first in the City's history in which a minority co-senior underwriter has been selected, Pryor, Counts and McLendon. Goldman Sachs is the other co-senior underwriter and Perry Investments and W.R. Lazard, both minority firms, are included in the underwriting group. Approval today is subject to verbal agreement reached with the CAO being satisfactorily documented.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On March 12, 5:00 to 7:30 p.m., the Friends of the Human Rights Commission are holding a reception honoring Edwin M. Lee, the new Director of the San Francisco Human Rights Commission at Delancey Street Embarcadero Triangle.
- (b) On March 12, 7:00 p.m., the Post International at Gough and Geary will be holding a Public Presentation on their planned development in the Telegraph Hill Room at the Cathedral Hill Hotel. This is the fourth in a series of public presentations and the developer will be highlighting recent changes in design, which have been made as a result of comments received at earlier presentations.
- (c) On March 13, 6:30 p.m., the Sixth Street Merchants and Residents Association and the South of Market Problem Solving Council will

be meeting at Bessie Carmichael School, 55 Sherman Street. The topic for discussion is Housing Issues in the South of Market.

- (d) There will be a Special Meeting on March 14, 1:30 p.m., at Room 282 City Hall for a Joint Public Hearing with the City Planning Commission in regard to the Draft Supplement to the final EIR for the proposed Redevelopment Plan Amendment for Rincon Point-South Beach. It is understood that all Commissioners, except Ms. Bolanos will attend.
- (e) John Friedman's retirement celebration will be held on March 21, 5:30 p.m., at the Cathedral Hill Hotel, Japanese Pavilion Room.
- (f) On March 21, 5:00 p.m., the Board of Directors and staff of the North and South of Market Adult Day Health Center will be dedicating the new Center at 55 Mabini Street.
- (g) Commissioner Tsen and the Executive Director had a productive meeting with Supervisors Hsieh who indicated support for the Agency's program.
- (h) With regard to the issue raised by Mr. Kitahata of assisting UCSF, the Mayor's Office of Business and Economic Development has been working on their needs, however, the Agency's willingness to cooperate with that Department in its endeavors has been communicated to them.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding the Urban Renewal Program for the Western Addition. He requested thirty days prior notice of demolition of the WAPAC Building located at 1956-60 Sutter Street in the Western Addition A-2.

President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property location and entity the Agency may negotiate with are: Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are three additional Closed Session items which arose subsequent to posting of the agenda on Friday, March 8, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MARCH 8, 1991.

Minutes of a Regular Meeting, March 12, 1991

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates; and

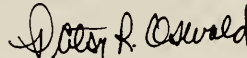
parcels located between Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates; and

parcels located in the block bounded by Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

April 2, 1991

ST
R35
#4
3/14/91

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MARCH, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission met in a Special Meeting in Room, 282, City Hall in the City of San Francisco, California at 1:45 o'clock p.m. on the 14th day of March, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Gary Kitahata
Leoy King
Haig G. Mardikian

and the following were absent:

Buck Bagot, President
Sonia Bolanos

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The President declared that a quorum was present.

The following City Planning Commissioners were also present:

Wayne Jackson Hu, President
Susan J. Bierman
Romaine Boldridge
Norman Karasick
James Morales

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Barbara Sahm, City Planning; John Elberling, TODCO; Jean Kortum, Landmarks Preservation Advisory Board; Enid Lim, Chinese Historical Society of America; Lauren Bricker and Mark Ryser, Foundation for San Francisco's Architectural Heritage; Mike Grey, Reliance Development Group; and Edith McMillan.

Representing the press was: Gerald Adams, San Francisco Examiner.

Joint Public Hearing to hear all persons interested in the Draft Supplement to the Final Environmental Impact Report/Statement for the Rincon Point-South Beach Proposed Redevelopment Plan Amendment.

President Hu opened the Public Hearing to hear all persons interested in this matter.

The purpose of this meeting was for the Redevelopment Agency and Department of City Planning Commissions to participate in a Joint Public Hearing and receive public comment regarding a Draft

Supplement to the Final Environmental Impact Report/Statement for the proposed Rincon Point-South Beach Redevelopment Plan Amendment. The Plan Amendment proposes to permit residential uses on two parcels within the South Beach sub-area: Parcel I-1, Oriental Warehouse and Palmisano parcels, located on First and Brannan Streets; and Parcel D, located on the northwest corner of Bryant and Beale Streets; to permit office uses on Parcel C-1, located on the northwest corner of Folsom and Steuart Streets within the Rincon Point sub-area; to increase the height limit on Parcels I-1 and I-3 from 105 to 160 feet; to increase the residential density on Parcel F-1 (northeast corner of Byrant and First Streets) from 110 to 130 units per acre; to allow parking as a permitted use for the Oriental Warehouse; to permit alternative land uses to be combined on the same parcel; and to allow the Redevelopment Agency, on a short term basis, to lease any of its property for uses which are not in conformance with the adopted Redevelopment Plan.

Barbara Sahn, City Planning Department, made a presentation on this item.

The following persons spoke regarding the item: John Elberling, TODCO; Jean Kortem, Landmarks Preservation Advisory Board; Enid Lim, Chinese Historical Society of America; Lauren Bricker and Mark Ryser, Foundation for San Francisco's Architectural Heritage; Mike Grey, Reliance Development Group; and Edith McMillan.

The speakers noted their concerns regarding: housing and office mitigation measures; transit impacts; an increase in height limitation and residential density; preservation of the Oriental Warehouse.

Mr. Grey made a presentation of the design for Reliance Development Group's proposed project on Site I in Rincon Point-South Beach.

Ms. Bierman indicated her support for preservation of the Oriental Warehouse.

Mr. Morales indicated there is nothing to link affordable housing to the commercial office space and requested an analysis on the following: impacts of the development with and without mitigation measures; projected salaries of the people that would be working in the commercial space and how the proposed housing would fit the needs of that workforce; project needs in terms of housing and a breakdown of very low, low and moderate income levels. He also noted that the Redevelopment Agency should make it a requirement that commercial office space would adhere to the City Planning Code.

Ms. Tsen noted that as a matter of policy Redevelopment projects have the same mitigation measures as the City, although it is not a requirement.

In response to a request from Ms. McMillan for information regarding revenues the Agency derives from residential and commercial properties, Ms. Tsen indicated that a request for this information should be made in writing and staff will respond.

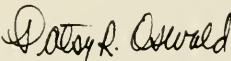
Minutes of a Special Meeting, March 14, 1991

There being no further persons wishing to appear in connection with this matter, the Public Hearing was closed.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 2:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

PLEASE NOTE: A COPY OF THE FULL TRANSCRIPT OF THE PROCEEDINGS IS ON FILE WITH THE AGENCY SECRETARY.

APPROVED

April 9, 1991

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3/19/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MARCH, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of March, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata

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and the following were absent:

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Buck Bagot, President (Arrived 4:10 p.m.)
Haig G. Mardikian

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Gary Banks; Ace Washington, WAPAC; Randall Evans; Arnold Townsend; Raymond Jones, Urban Economic Development Corporation; Mike Mahoney and Jay Paraslis, San Francisco Police Department.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

The Acting President indicated that the Report of the Executive Director would be taken-up when President Bagot arrives.

COMMISSIONERS' QUESTIONS AND MATTERS

Mr. Kitahata indicated he would like to discuss staff informational memorandum regarding Implications of Tax Increment Projections.

The Acting President indicated that Commissioners' Questions and Matters would be taken-up when President Bagot arrives.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a 10th Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

The Acting President opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgagee protections and other matters in connection with Yerba Buena Center. It is requested this item be continued.

There being no persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing continued.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF MARCH 26, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests consideration of an application for an Owner Participation Agreement (OPA) from FTP Investment Corporation for the property located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The Developer has requested that this item be continued.

RULE OF THE CHAIR: ACTING PRESIDENT TSEN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (b) WOULD BE CONTINUED TO THE MEETING OF MARCH 26, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Small Business Loan in an amount not to exceed \$50,000 from the Western Addition Small Business Loan and Investment Program to Fred and Helen Sun dba: China Cafe located at 1426-A Fillmore Street (Fillmore Office Building) in the Western Addition A-2. The Agency's loan program in an amount of \$500,000 was approved in November 1989 to provide below-market rate interest loans to qualified business enterprises to establish or expand in the Western Addition Fillmore Center area. The owner proposes to expand the existing restaurant, which has been experiencing steady growth since its opening in May 1989, from 1,000 to 3,250 square feet at a total project cost of \$120,000. A request for a \$75,000 loan for leasehold improvements, equipment and working capital has been reviewed by the Loan Committee of the Mayor's Office of Business and Economic Development who approved a \$50,000 loan for leasehold improvements and equipment purchase for five years at an annual interest rate of 8 percent, subject to several conditions. One of the conditions was a deed of trust on the Sun's property at 1523 O'Farrell Street as security for the loan. However, this property is encumbered by an existing deed of trust to the Agency and is not available for this loan. Therefore, that condition of the MOBED Loan Administration Board approval shall not be a condition of this approval but security satisfactory to Agency staff shall be provided. Mr. & Mrs. Sun

both work in the restaurant which presently has three full-time and two part-time employees. Upon completion of the expansion, it is hoped to employ six full-time and two part-time low-to-moderate income persons.

President Bagot arrived during Mr. Helfeld's presentation, 4:10 p.m. and the Acting President turned the Chair over to President Bagot.

Gary Banks noted his unsuccessful efforts to open a business in the Fillmore Center and requested assistance.

President Bagot indicated that staff will investigate and report back to the Commission and Mr. Banks.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) John Friedman's retirement celebration will be held on March 21, 5:30 p.m. at the Cathedral Hill Hotel, Japanese Pavilion Room.
 - (b) On March 21, starting at 5:00 p.m., the Board of Directors and staff of the North and South of Market Adult Day Health Center will be dedicating their New Center at 55 Mabini Street. An appreciation plaque will be presented to the Redevelopment Agency as part of the ceremonies.
 - (c) The Commissioners have been provided with an informational memorandum responding to allegations made at the February 26, 1991 meeting of alleged systematic discrimination against African-American subcontractors who have participated in the construction of the Fillmore Center, which staff believes are unfounded. The memorandum describes efforts on the part of the developer in achieving a significant percentage of minority contractors and in assisting minorities to get business loans.
- Ms. Tsen noted she had spent some time with the staff of Ella Hill Hutch Community Center and Young Community Developers and is impressed with their efforts. The Fillmore Center has achieved a 70 percent goal in hiring African-Americans and residents from the Western Addition.
- (d) Bay Cities Joint Powers Insurance Authority, which is the insurance pool through which the Agency receives its general liability, automobile liability and public officials errors and omissions coverages, has just released their latest actuarial study. The average premium rates have increased for pool members by 4.45 percent, however, due to good Agency experience, our premiums will be reduced by 16.4 percent, or from \$94,000 to \$79,000, for next fiscal year. In addition, the Agency will receive an \$18,400 equity allocation based upon past good

experience. Overall, the Agency's liability premium has been reduced by about 50 percent in the four years of its membership in the Bay Cities pool.

- (e) The Agency meeting of April 2, 1991 will be held at the Salvation Army at 340 Fourth Street. Also, at 2:30 p.m. that day there will be a tour of the Moscone Convention Center Meeting Rooms in Yerba Buena Center.
- (f) From discussions with the Mayor's Office regarding the budget, a \$117 to \$158 million deficit is projected for fiscal year 1991-1992 and it appears there will not be a salary increase for City employees which will save approximately \$70 million. The Mayor has met with the Board of Supervisors to discuss a number of tax increases which would raise approximately \$35 million so a shortfall is still anticipated. The Agency has been requested to develop alternative estimates of its current proposed budget of 5 to 10 percent of the base line budget and Robert Gamble, Deputy Executive Director, Finance will work on this when he returns to the office next week.
- (g) The Commissioners have been provided with an informational memorandum on the subject of Implications of Tax Increment Projections.

Mr. Kitahata indicated he believes the Agency should be in the process of developing a strategy to generate new tax increment in the future, both for the General Fund and for Agency program purposes. He requested staff investigate and report back to the Commission on opportunities with regard to: Embarcadero Freeway sites; Mission Bay; and Hotel Tax for Central Block 3 in Yerba Buena Center. He further requested regular staff reports regarding the Task Force on the Embarcadero Freeway.

Mr. Helfeld indicated that the Agency is trying to tie in more closely to the City budget rather than using tax increment funds and are undertaking transactions which may generate profit, however, there may not be any surplus because of developer exactions. Significant tax increment funds cannot be expected from the South of Market, South Bayshore, Third Street Corridor and Mission Bay as, in fact, these projects will need subsidies. However, there is a need to pursue Golden Gateway tax increment.

Mr. Helfeld indicated that staff will investigate and report back to the Commission on issues raised in Mr. Kitahata's memorandum in two weeks.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a letter had been received from OMI who mistakenly thought the Agency was proposing a redevelopment area. It has been explained that the Agency is not advocating a redevelopment area but merely responding to an inquiry from the community.

- (b) President Bagot requested staff send the Commission copies of responses to Supervisor Kennedy's letters regarding San Francisco Housing and Development Corporation.
- (c) President Bagot indicated that the comment that John Elberling made at the Joint Meeting with City Planning on March 14 to include in the Rincon Point-South Beach Redevelopment Plan Amendment, the OHPP Housing mitigation measure as Agency Policy was a good idea and would like an investigation by staff and report back to the Commissioners.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (h) Mr. Helfeld noted that Mr. Kitahata has been appointed to the Joint Powers Moscone Center Authority.

Mr. Kitahata indicated that he had sent a letter to staff regarding proposed changes he would like to make to this particular Authority.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, and Randall Evans spoke regarding matters pertaining to the Western Addition. They noted their concern at the lack of Black businesses in the Fillmore Center and inquired about plans for expending tax increment funds to assist Black entrepreneurs.

Mr. Kitahata indicated he had discussed recruiting Black businesses in the Western Addition and especially on Fillmore Street with staff who are trying in good faith to address this problem.

In response to a request from Mr. Kitahata, Gene Suttle, Senior Deputy Executive Director gave a report on businesses seeking opportunities in the Fillmore Street Corridor that the Agency through UEDC had assisted.

Arnold Townsend noted that there are still opportunities for African-Americans in the Fillmore Center, however, they need different kinds of assistance than other communities. If a strategy is to be developed then someone with experience in assisting African-Americans is needed. Fillmore Center can still be a showplace for Black businesses.

Ms. Tsen noted her concern at the comments that the Agency is not trying to assist African-Americans in the Western Addition. In putting together Economic Development Programs for the Western Addition and Hunters Point, all efforts have been made to involve the community. The reason for taking time is to include community input and to be sure the programs will work in both areas before expending funds.

Raymond Jones, Urban Economic Development Corporation (UEDC), suggested the loan fund and criteria be reviewed, taking into consideration specific needs of African-Americans which could be looked at by a group of consultants. It is necessary to develop a strategy to get loans to African-Americans regardless of the criteria and that the Agency needs to take a risk to get those businesses started.

Ms. Tsen indicated that the Commissioners and staff would be willing to meet with Mr. Jones to work out a program, as this Commission wants the program to be successful.

Ms. Bolanos indicated this is a very complex problem and since the Agency cannot do the whole job, a determination needs to be made what it can address in its role as a redevelopment agency. She suggested a workshop be held but there be a limit as to what issues are discussed.

Leamon Abrams, Chief, Economic Development, indicated that although there are some Black businesses coming into the Fillmore Center, the pool is not there to the same degree as it is for other communities. They need to go into non-intensive capital businesses and have the non-profit organizations help put their proposals together. He indicated that a Draft Implementation Program will be provided before a final workshop is held.

President Bagot announced that there would be three Closed Sessions pursuant to Government Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

parcels located between Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates; and

parcels located in the block bounded by Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments.

There will be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session which arose subsequent to posting of the agenda on Friday, March 15, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT

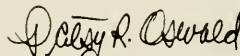
REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON MARCH 15, 1991.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The entity with whom the Agency may negotiate with is FTP Corporation.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsien, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

April 9, 1991

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3/26/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF MARCH, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of March, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

V. Fei Tsen, Vice President (Arrived 4:23 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Marion Keller; David Cincotta, SOCO, Ltd; Matt Witte and Jim Fried, Griffin Related Properties-VII; Michael McCone, Steve Taber and David Hudnut, California Historical Society; Wei Wei Chiu, Shirley Buffer and Don Cox, California Department of Health; Jim Ordon, Harding Lawson Associates; Pam Hollis, San Francisco Department of Public Health; Martin Fay, South Beach Marina Apartments; Ben Golvin, BRIDGE Housing Corporation; Bert Damner, Damner-Pike & Co; Joy Ou, Ou Interests; and Ace Washington, WAPAC.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of an Adjourned Regular Meeting of February 19, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of February 26, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of March 5, 1991, as distributed by mail to the Commissioners, be approved.

President Bagot requested that Mr. Helfeld follow-up on his request at the Adjourned Regular Meeting of February 19, 1991 to have an appropriate staff person attend a Community Reinvestment Institute seminar on April 18, 1991. He further requested a written response be

made to Sam Murray who spoke at the March 5, 1991 meeting regarding funding for toxic studies at the Hunters Point Shipyard.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On March 21, the Mayor's Office of Business and Economic Development and the Agency co-hosted a Banker's Breakfast to discuss small business lending and public/private partnerships to meet community credit needs under the Community Reinvestment Act (CRA) requirements. Recent expansion and increased enforcement of CRA requirements has provided impetus for financial institutions to engage in lending for affordable housing and economic development. Staff identified strategies the Agency can implement with financial institutions to leverage resources, utilizing CRA requirements. At this meeting two alternative loan programs were discussed, the Bank Participation Program and the Loan Guaranty Program. Commissioners Tsen and Kitahata and Economic Development staff were in attendance. Although interest was shown by the bankers, no commitments were made.

Mr. Kitahata indicated that he thought the meeting went well, however, the bankers were very cautious about making any commitments to participate in the loan programs.

- (b) The Agency's regular meeting of April 2, 1991 will be held at the Salvation Army Facility, 360 Fourth Street.
- (c) Regarding the site visit scheduled under item (g) on today's Agenda, it is no longer necessary to adjourn the meeting to April 2, 1991 at 2:30 p.m. as there will not be a quorum for the tour of the Moscone Convention Center Meeting Rooms.
- (d) Commissioners' Questions and Matters will be taken up as the last item on the agenda.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a 10th Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgagee protections and other matters in connection with Yerba Buena Center. It is requested this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT OF THE OBJECTION OF ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF APRIL 2, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests consideration of an application for an Owner Participation Agreement (OPA) from FTP Investment Corporation for the property located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The Developer has requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b) WOULD BE CONTINUED TO THE MEETING OF APRIL 2, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

Mr. Helfeld requested that item (a) and (b) be taken-up when Ms. Tsen arrives at the meeting.

- (c) Mr. Helfeld introduced item (c), which requests authorization of an Owner Participation Agreement (OPA) with SOCO, Ltd. (Owner) for the development of the property bounded by Post Street, Gough Street and Peter Yorke Way in the Western Addition A-1. It is proposed to construct 72 condominiums with on-site parking and supporting amenities such as recreational facilities and convenience retail to be known as the Post International Project. Construction is anticipated to commence in the summer of 1991 with completion in late 1992 or 1993. As part of the OPA, the Owner has agreed to an affordable housing contribution providing for the construction of 16 off-site affordable units at a location to be determined, which location the Agency will reserve the right to approve, or a \$700,000 cash payment to the Agency's Low and Moderate-income Housing Trust Fund. In response to design concerns expressed by the Commission at a public workshop held in November 1990, the Owner has been working with Agency staff who now find the building design acceptable subject to the satisfactory resolution of certain design concerns during the Preliminary Documents Phase. San Francisco Heritage has expressed concern regarding the demolition of one of two buildings which would be demolished under the development plan. However, this vacant warehouse is not included on any City or governmental list of historic structures. The Owner has made several community presentations and in response to concerns expressed regarding impact on traffic congestion and lack of parking, the Agency conducted a traffic study by Abrams Associates which indicates that the project will not have a significant impact on traffic flow or pedestrian safety. With respect to parking, the Owner has redesigned the commercial parking to improve traffic flow and safety along Gough Street. At the last community meeting on March

Minutes of a Regular Meeting, March 26, 1991

21, the community residents indicated greater satisfaction with these design improvements.

Ms. Tsen arrived at this time, 4:23 p.m.

In response to a request Marion Keller, David Cincotta, SOCO, Ltd., indicated the developer has no objection to including a clause in the OPA to the effect that a restaurant will not be part of the development.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-91 BE ADOPTED.

- (a) Mr. Helfeld introduced item (a), which requests Conditional Approval of the Preliminary Construction Documents (PCD's) for Griffin/Related Properties-VII's development on Parcel 3707-A (East Block 1) located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The Schematic Drawings were approved in May 1990 and the PCD's now submitted are found acceptable by staff, subject to the resolution of certain design concerns during the next phase of design work and further conditioned that the developer enters into an enforceable and unconditional contract to acquire or actually acquire a permanent air rights easement over the existing Hundley Hardware at 666 Mission Street at or prior to conveyance. Major concerns to be addressed include: designs for the public open spaces at Third and Mission Streets and Jessie Street and the interior lobby spaces; the design of the window and stone patterns for the lower portion of the building, particularly adjacent to the Jessie Hotel; determination of the appropriate proportions, scale and location of the solids and voids within the cylindrical penthouse element; location of garage exhausts and utility grilles to minimize their impact on the visual quality of the building; and submission of more detailed plans for the Jessie Hotel rehabilitation and for the below grade parking levels.

Matt Witte, Developer, and Jim Fried, Project Architect, made design presentations and responded to questions from the Commissioners.

Michael McCone, Steve Taber and David Hudnut, California Historical Society, noted their pleasure that the Society will be relocating to the Jessie Hotel

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-91 BE ADOPTED.

President Bagot announced that there would be a brief recess. The meeting recessed at 4:45 p.m. and reconvened at 4:50 p.m. with the same roll call.

- (b) Public Hearing to hear all persons interested in the proposed Plan prepared for the development of Site K, located at Townsend Street at The Embarcadero; Rincon Point-South Beach.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which is a workshop jointly sponsored by the Redevelopment Agency and the California State Department of Health Services-Toxic Substance Control Program on a proposed Hazardous Waste Management Plan (Plan) for Site K, which is bounded by King Street, Townsend Street and the Embarcadero in Rincon Point-South Beach. This property is owned by the Port and will be leased to the Agency who, in turn, will enter into a Development Sublease with BRIDGE Housing Corporation for the development of 108 units of very low and low income rental housing with construction anticipated to commence in June 1991. To satisfy the requirements of Article 20 of the San Francisco Public Works Code, the Agency retained Harding Lawson Associates to evaluate the presence of hazardous materials in the soil and ground water at Site K. Potentially hazardous chemical constituents were identified in a site mitigation plan which has been reviewed and approved by the San Francisco Department of Public Health. In response to a request by the Agency for California Department of Public Health Services to review the site investigation activities and remedial measures, the Department is requiring submission of a proposed Hazardous Waste Management Plan that evaluates the potential remedial measures to mitigate the potential problem and is also encouraging a public participation process to elicit public comments on the proposed Plan. Remedial measures proposed by Harding Lawson have been determined to be satisfactory by the City's Department of Public Health.

Wei Wei Chui, Hazardous Material Specialist, California Department of Health, explained the purpose of the public hearing and workshop. She introduced Shirley Buffer and Don Cox of DHS.

Mr. Helfeld noted the presence of Pam Hollis of the City's Department of Public Health.

Jim Ordon, Harding Lawson Associates, made a slide presentation, described site conditions, proposed remedial measures and responded to questions from the Commissioners.

Martin Fay, South Beach Marina Apartments noted the need for dust control measures on the site during construction.

There being no further persons wishing to appear in connection with this matter, the Public Hearing was closed.

Ben Golvin, BRIDGE Housing Corporation, indicated that the Site Mitigation Plan calls for dust control measures.

In response to an inquiry from President Bagot, Mr. Golvin indicated that the California Department of Public Health are aware that project must commence construction by June 4, 1991 in order to receive Low Income Housing Tax Credits. He further noted that a Health and Safety Plan for the workers has been prepared by an Industrial Hygienist.

President Bagot requested a copy of Harding Lawson Associates' affirmative action program.

PLEASE NOTE THAT A FULL TRANSCRIPT OF THE PROCEEDINGS CONCERNING ITEM (b) IS ON FILE WITH THE AGENCY SECRETARY.

- (d) Mr. Helfeld introduced item (d), which requests authorization to expend an amount not to exceed \$9,000 for three finalists to develop proposals for the Children's Place on Central Block 3 (CB-3) in Yerba Buena Center. Eight responses were received to a Request for Program Concepts issued in October 1990 and on March 19, 1991 the Children's Advisory Committee selected the Exploratorium in collaboration with Lucasfilm, MIG/PIAE, Inc., and the Center for the Arts at Yerba Buena Center to develop full proposals. The three finalists are all non-profit organizations governed by a board of directors and the Committee recommends that up to \$3,000 be made available to each group to assist them in preparation of their proposals which must be submitted by May 6, 1991. A recommendation by the Committee of an operator is anticipated by May 28, 1991.

President Bagot requested a list of the Children's Advisory Committee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of continuation of group purchase of property insurance through the Bay Cities Joint Powers Insurance Authority (BCJPIA) for an additional three years. For the past three years the Agency has obtained its miscellaneous property coverages through BCJPIA and Arkwright Mutual Insurance Company. Employee fidelity and depositors forgery coverages are also included in this group purchase although they are not typical property coverages. The coverage was remarketed this year and, on average, the cost of property insurance will be decreasing from 13.16 cents per \$100 of insured value to approximately 9.5 cents per \$100. Employee fidelity and depositors forgery coverage would also be included at premiums similar to those paid in the past. To test the market this year, BCJPIA obtained alternate quotes which came in approximately 28 percent below that quoted by Arkwright and a determination has been made to accept the low bid quote from Home Insurance Company for participating pool members.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Amendment to the Predevelopment Loan Agreement to Chinese Community Housing Corporation to increase the loan amount by \$30,000 for predevelopment expenses related to the 53-unit Polk Gulch Senior Housing Project at 1400 Pine Street as part of the City-wide Tax Increment Program. The project consists of 53 rental units of elderly housing affordable to seniors earning 60

percent of the median. A funding commitment of \$2.9 million has been received from the Mayor's Office of Housing and additional financing is expected from HUD Section 202 Senior Housing Program or a combination of State of California Rental Housing New Construction funds and Low Income Housing Tax Credits. Subsequent to authorization in April 1990, of a Predevelopment Loan Agreement in an amount of \$35,000, an amendment was approved which increased the loan amount to \$65,000. The Sponsor has requested a Second Amendment in an amount of \$30,000 for a total predevelopment loan amount of \$95,000. The TIHP Loan Committee has approved the amendment, however, a determination needs to be made by the Agency Commission that each project is consistent with the Agency's Mission Statement.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-91 BE ADOPTED.

- (g) Site visit to view the Moscone Convention Center's Meeting Room Space in Yerba Buena Center.

President Bagot announced that this meeting would not be continued to April 2, 1991, 2:30 p.m., due to lack of a quorum.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Commissioners Bolanos and Kitahata indicated they would attend the Brad Paul meeting on April 3, 1991.
- (b) President Bagot indicated that the Young Community Developers benefit was a great success. There was a request from Ms. Bias for funds to organize tenants in HUD at-risk housing.
- (c) President Bagot noted that San Francisco Housing Development Corporation has interviewed two candidates for the Executive Director position.
- (d) President Bagot indicated that a meeting had been held with Supervisor Gonzales who requested the Agency assist the Mexican Museum to find a permanent location. The Supervisor will be taking a tour of the Agency's low income housing developments.
- (e) President Bagot indicated he would like the Agency to endorse AB-315 which is a Bill that requires redevelopment agencies to set aside 40 percent rather than 20 percent for low income housing.

Mr. Helfeld indicated staff is preparing a report on this subject for the Commission.

- (f) President Bagot indicated the OMI Pilgrim Center will be having a tour on April 6 with Deputy Mayor Claude Everhart of various low income housing City generated sites.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that OMI had mistakenly thought the Agency was proposing

a redevelopment area, however, it has been explained that the Agency is not advocating a redevelopment area but merely responding to an inquiry from the community.

- (g) President Bagot requested staff investigate the property at 1215 Polk Street for low income housing.
- (h) President Bagot requested staff to investigate City College's offer to trade the 17th and Folsom site for the Balboa Reservoir site on Phelps Street in order to expand the college.
- (i) President Bagot referred to staff informational memorandum regarding 1866 Turk Street in the Western Addition A-2.

Mr. Helfeld indicated that there had been an allegation that the Agency has been renting a house of substantial value to a tenant for one dollar a year for a number of years contrary to Agency policy. Staff has not been diligent in this situation because there has not been an annual income review since 1986. This is now being done and a report will be made to the Commission on this property as well as other Agency rentals in the Western Addition.

Mr. Kitahata requested information on assets for Agency residential and commercial properties.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington spoke regarding matters pertaining to the Western Addition A-2.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, March 22, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON MARCH 22, 1991.

Both items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

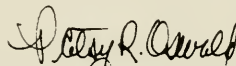
parcels located between Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates; and

parcels located in the block bounded by Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to six Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Fatsy R. Oswald
Agency Secretary

APPROVED

May 7, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF April, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 360 4th Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of April, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

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and the following were absent:

V. Fei Tsen, Vice President
Haig G. Mardikian

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Marty Zwick, David Cincotta and Bart Seidler, FTP Corporation; Karen Kitowski; Doug Shaw; Scott Foster; William Wahrhaftig, President Elect of WANA; Mildred Burrell; Mary Jane Staymates; Dino Di Donato and Alex Clemens, South of Market Problem Solving Council; John Elberling and Bill Sorro, TODCO; Amilita Pasual and Eric Abdullateef, Mission Economic Development Association (MEDA) and South of Market Employment Center (SMEC); Rich Sorro, Mission Hiring Hall; Captain Michael Yalon, San Francisco Police Department; Magne Veimeen, Pontiac Hotel and Sixth Street Merchants Association; Isabel Ugat; Jim Williams; Jerair Panosian; Florentino Ramsey; Colin Stermir; Nathan Burnett; Enrica Zabala; Belinda Rodan; Joyce Hsiai; Toby Levine, MEDA; Melvin Philip Andrews; and Edward Obuchowski.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of March 12, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

Minutes of a Regular Meeting, April 2, 1991

- (a) On April 2, Commissioner Kitahata and staff toured the new meeting room space on top of the Moscone Convention Center which is very impressive.
- (b) The Agency's application for a FEMA Hazard Mitigation Grant of \$1 million for seismic upgrading of housing in the South of Market Earthquake Recovery Redevelopment Project Area has been approved.
- (c) The Agency will be holding an Open House on April 18, 3:00 to 6:00 p.m., to allow community members, City Officials and other people with whom the Agency does business to view the new offices. The Commissioners are encouraged to attend if at all possible.
- (d) President Bagot indicated that he and the Executive Director had attended a Grand Jury investigation on Olympia & York. The Grand Jury appeared satisfied with the information provided.

President Bagot indicated that Commissioners' Questions and Matters will be taken up as the last item on the agenda.

UNFINISHED BUSINESS

Public Hearing to hear all persons interested in a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgagee protections and other matters in connection with Yerba Buena Center. It is requested this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (a), RESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF APRIL 9, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests consideration of an application for an Owner Participation Agreement (OPA) from FTP Investment Corporation for the property located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The developer has requested Commission consideration of a proposal to construct 36 condominiums above 6,000 square feet of ground floor commercial space, which uses are permitted on the site by the Redevelopment Plan. The site is leased until April 1994 to

Shell Oil Company who sublease it to an operator of a full service gas station and automated car wash. In addition to a December 1990 Agency workshop, a number of meetings have been held by the Western Addition Neighborhood Association (WANA) with the developer and his architect to review the proposal. Discussions at the meetings centered around the desire to retain the service station, particularly in view of the closure of numerous stations in the City, and at WANA's last meeting on January 31, 1991, nineteen people voted to retain the station and two voted for the proposed condominium project. The developer has addressed certain design issues raised by the Agency and the basic design is now considered acceptable. Although the existing lease would not permit commencement of construction until mid-1994, the developer has requested a performance schedule which is more protracted than normal Agency practice for OPA's. By approving an OPA at this time, the Agency would be relinquishing substantial rights because it would exclude the site from subsequent changes in the allowed land use or policies that would govern the design, use or other development features on the site. Also, the developer's housing proposal does not meet the goals set forth in the Agency's Inclusionary Housing Policy to provide 20 percent or seven affordable units on-site or to make a contribution of \$350,000 to the Agency's Affordable Housing Fund. The developer's offer is three units or \$175,000. The developer also requests that the three on-site unit prices be set at 150 percent of median income rather than the Agency's 100 percent.

The following persons spoke in opposition to the project: William Wahrhaftig, President Elect of WANA; Mildred Burrell; and Mary Jane Staymates.

The following persons spoke in support of the project: Karen Kitowski; Marty Zwick, David Cincotta and Bart Seidler, FTP Corporation; Doug Shaw; and Scott Foster.

Mr. Cincotta indicated that the developer has a new proposal which calls for an eighteen month schedule and no affordable housing requirement.

Following a discussion between the Commissioners, staff and the developer's representatives, it was the consensus of the Commission that the developer make a formal submission of the new proposal and that no action be taken on the proposal before the Commission today.

NEW BUSINESS- CONSENT AGENDA

- (a) Authorizing payment of the Agency's Annual Dues in the amount of \$1,602 for membership in the National Association of Housing Officials and Redevelopment Officials (NAHRO).
- (b) Authorizing payment of Annual Dues in the amount of \$2,000 for membership in the Community Redevelopment Agencies Association (CRA).

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 76-91 AND 77-91, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (e) Mr. Helfeld indicated that the scheduled payment of \$3.1 million had been received from YBG Associates on April 1 and the next payment is due May 1, 1991.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of an Agreement in amount not to exceed \$150,000 for Professional Services with Orion Environmental Associates for the preparation of an Environmental Impact Report (EIR) for the proposed parking garage for San Francisco General Hospital. This agreement will permit the Agency to assist the San Francisco Parking Authority to meet the required environmental review activities for the development of a proposed 1200-car garage at 24th and Utah Streets adjacent to the General Hospital. Prior to construction of the garage, environmental analysis will have to be performed and an EIR prepared. In connection the Parking Authority has requested the Agency's assistance in administering this contract and Parking Authority funds sufficient to cover the contract amount will be transferred to the Agency through a Letter Agreement. Orion is a woman-owned firm and staff finds its affirmative action efforts to be satisfactory.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Seventh Amendment to the Architecture Agreement with MGA Partners which provides \$50,000 for four Artists and an Artists' Advisor to develop proposals for Artwork for the Esplanade and East Garden in the Yerba Buena Gardens of Yerba Buena Center. Following interviews of six artists, the Artist Selection Committee recommends four artists to develop proposals for artwork in the two Central Block 2 gardens. These artists are: Terry Allen, Reiko Goto, John Roloff and Jaune Quick-to-See Smith, who is the first native American working on the Yerba Buena Gardens. The contract amendment provides \$30,000 for the four artists to develop proposals, \$10,000 for Artists Advisor, Helen Fried, to assist in development and implementation of the artwork and \$10,000 for MGA and Omi Lang Associates to integrate the artwork into the overall designs of the Esplanade and East Garden. The \$50,000 for the amendment is part of the \$370,000 budgeted for artwork in the Esplanade and East Garden. As part of their artwork proposals, each artist will be required to submit a budget indicating how the work is to be executed within the \$90,000 allocated for each work, inclusive of the \$7,500 proposal fee and \$2,500 architect's fee. Details of MGA Partners' affirmative action program, which is considered acceptable by staff, have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to issue a Request for Developer Proposals (RFP) from Non-profit Housing Corporations for the development of Affordable Family Rental Housing on Agency-owned property located at the southeast corner of Seventh and Natoma Streets in the South of Market Earthquake Recovery Project Area. The acquisition of this site represents the Agency's first step towards replacing approximately 500 low-income housing units destroyed by the October 1989 earthquake. The construction of approximately 20 to 30 units is proposed and interested developers would have approximately one month to respond to the RFP. Developer selection is expected to be no later than June 1991 which will permit time for the sponsor to apply for State Rental Housing Construction Funds in the 1991 Fall application round. The South of Market Problem Solving Council, which serves as the Project Area's Citizens Advisory Committee, has approved the general terms of the RFP and it will be before the City Planning Commission for approval at its April 4, 1991 meeting.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), the purpose of which is for a presentation of a Quarterly Status Report by the South of Market Problem Solving Council. In December 1990, a matching grant of \$43,000 was authorized to enable the Council to carry out activities related to their function as the Citizens Advisory Committee (CAC) for the South of Market Earthquake Recovery Redevelopment Project Area. The Council continues to perform effectively in coordinating meetings of the CAC and the wider South of Market community and in its efforts related to specific social housing and economic development issues. Its efforts are also closely coordinated with other service providers under contract to the Agency in the South of Market Project Area.

Dino Di Donato and Alex Clemens made presentations on behalf of the SOMPSC and responded to questions from the Commissioners regarding the Council's activities.

President Bagot requested a copy of the report on community organizing on housing and that notices of SOMPSC meetings continue to be sent to him.

In response to an inquiry from President Bagot, Mr. Di Donato indicated that the Council is not recommending the Sixth and Bluxome project at this time.

- (g) Mr. Helfeld introduced item (g), the purpose of which is for the presentation of Quarterly Status Reports by Mission Economic Development Association (MEDA) and the South of Market Employment Center (SMEC). A Personal Services Contract with MEDA, approved

in July 1990, in an amount of \$100,000 for the period August 1, 1990 to July 31, 1991 was amended in December 1990 to increase the maximum amount payable by \$30,000 for the same period to provide additional funding for personnel and administrative expenses. During this contract year MEDA proposed to conduct a business needs survey and to provide financial and technical assistance to small business as well as working towards revitalization of the Sixth Street Commercial Corridor and development of a program to attract and retain businesses that provide employment opportunities. In July 1990, Personal Services Contract was approved with South of Market Employment Center in an amount of \$220,000 for the period August 1, 1990 to July 31, 1991 to establish an employment center known as JOBS/SF to provide personnel and human resource services in the South of Market area, Yerba Buena Center and other redevelopment project areas.

Amilita Pasual and Eric Abdullateef made presentations on behalf of MEDA and responded to questions from the Commissioners regarding the loan program and jobs that will be generated.

Rich Sorro made the presentation on behalf of SMEC and indicated that it is expected the Center will eventually become self-sufficient.

- (h) Mr. Helfeld introduced item (h), the purpose of which is for a presentation of a Status Report by Tenants and Owners Development Corporation (TODCO) in connection with the South of Market Earthquake Recovery Project Area. In December 1990, a Professional Services Contract was authorized in an amount of \$50,000 with TODCO to perform housing and community development planning. TODCO has been working actively under this contract since its execution on March 1, 1991 and will present a report for work undertaken during that period rather than for the full first quarter.

John Elberling made the presentation on behalf of TODCO.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Second Amendment to the Personal Services Contract Mission Economic Development Association (MEDA) to provide funding in an amount not to exceed \$72,000 to start a SOMA Sidewalk Cleaning Program in the South of Market Earthquake Recovery Project Area. MEDA has held two volunteer clean-ups of Sixth Street sidewalks which resulted in the businesses and merchants of the South of Market area concluding that steam cleaning is necessary due to the unsightly conditions on the street, which has contributed to the other nuisances restraining the commercial businesses. The proposed program is a business venture of MEDA and the Mission Hiring Hall who would be the primary operators and the sidewalk cleaning which will be provided as a free service to merchants in the South of Market Project Area for one year. In order for the steam cleaning venture to become self-sufficient during its second year of operation, steam cleaning will be marketed to all businesses in the area to obtain service contracts with merchants for a monthly cleaning fee. Sidewalk cleaning will contribute to

the improvement efforts of the area, help make the commercial corridor more presentable and a revenue raising, job producing venture will be created.

The following persons spoke in support of item (i): Captain Michael Yalon, San Francisco Police Department; Magne Veimeen, Pontiac Hotel and Sixth Street Merchants Association; Amilita Pasual, MEDA; Rich Sorro and John Elberling, TODCO.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated that within two weeks staff will present a draft report to the Commission on the Agency's overall work program on economic development with all the activities the Agency has undertaken, which will take into consideration comments from the Commission and public. Although there is a desire for start-up businesses, they are more difficult to work with than existing businesses who want to expand. Staff is reviewing this issue and will report back to the Commission. Of the \$5 million for economic development \$2 million cannot be spent unless there is a boundary change in the South Bayshore.

Commissioners Bolanos and Kitahata indicated they believed regular staff reports on economic development would be helpful.

- (b) In response to an inquiry from President Bagot, Robert Gamble, Deputy Executive Director, Finance, provided the Commissioners with a memorandum it is proposed to transmit to the Mayor's Budget Office indicating 5 and 10 percent reductions in the Agency's budget.

President Bagot indicated he does not want the City-wide housing allocation cut and the Mayor's Office should be so advised. Also that he would like to see the position of Housing Management Supervisor filled.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

parcels located between Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates; and

Minutes of a Regular Meeting, April 2, 1991

parcels located in the block bounded by Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments; and

1590 Sutter Street in the Western Addition A-1 with Queen Ann Hotel Company, an Ohio Partnership.

There will also be a Closed Session pursuant to Government Code 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, March 29, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

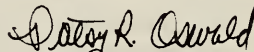
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEMS AROSE AFTER POSTING OF THE AGENDA ON MARCH 29, 1991.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Eddy and Webster Streets in the Western Addition A-2. The entity with whom the Agency may negotiate is Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

May 7, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF APRIL, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California, at 4:00 p.m. on the 9th day of April, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- V. Fei Tsen, Vice President
- Sonia Bolanos
- Leroy King
- Gary Kitahata
- Haig G. Mardikian

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Aldo Giurgola, MGA Partners; Conwill Houston, Artist for the Martin Luther King, Jr. Memorial; Helen Helfer, Executive Director, Bernal Heights Community Foundation; Sue Bierman; Marline Miles Howard; Lurilla Harris, Farmer's Market Task Force; Joyce Kearney, Farmer's Market Task Force and Bernal Heights Community Foundation; Ace Washington, WAPAC; Arnold Townsend; Sandra Brown; and Karen A. Fischer.

Representing the press was: Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of 19, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Special Meeting of March 14, 1991, as distributed by mail to the Commissioners, be approved.

President Bagot inquired concerning a suggestion by City Planning Commissioner Morales at the March 14, 1991 Special Meeting regarding the Agency making it a requirement that commercial office space adhere to the City Planning Code on the City's housing and other exactions. Mr. Helfeld indicated he believed this had been included in the Rincon Point-South Beach Plan Amendment, however, he would investigate and report back.

Minutes of a Regular Meeting, April 9, 1991

President Bagot requested a report on a request for assistance at the March 19, 1991 meeting from Gary Banks in opening a business in the Fillmore Center.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

(a) The Agency will holding an Open House on April 18 from 3:00 to 6:00 p.m.

(b) On April 8, 1991, the Board of Supervisors passed the Bond Resolutions for the Western Addition A-2 in the amount of \$35 million and for Yerba Buena Center in the amount of \$30 million.

At that meeting, Supervisor Migden inquired regarding the Board of Supervisors acting as the Agency Commission and Supervisor Ward, President of the Board, indicated this had been considered but found not feasible.

(c) Gene Suttle, Senior Deputy Executive Director, reported that at a meeting held on April 8 for the Martin Luther King, Jr. Memorial Committee to review the revised design of the memorial with Artist Houston Conwill, the response had been receptive. The proposed memorial has also been shown to approximately 1,700 persons at public presentations. The Mayor, who viewed the revised Memorial and Esplanade designs on April 9, has been provided in writing with the comments and concerns expressed at the presentations.

President Bagot requested the Commission be provided with the information transmitted to the Mayor and that the Commission be informed when the Mayor is expected to be at the Agency's offices.

UNFINISHED BUSINESS

(a) Public Hearing to hear all persons interested in a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Gardens.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgagee protections and other matters in connection with Yerba Buena Center. It is requested this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF APRIL 16, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a workshop to present the resolution of remaining design concerns related to the Esplanade and the Martin Luther King, Jr. Memorial in the Yerba Buena Gardens of Yerba Buena Center. In December 1990, the Preliminary Construction Documents for the Esplanade were approved subject to the resolution of design concerns relating to: composition of the Central Fountain; refinement of the Martin Luther King, Jr. Memorial; variation of the planting design of the Sister City Garden; refinement of decorative elements; and coordination with the Central Block 2 retail development. Review sessions to discuss these resolutions have been held with the Mayor, Olympia & York, the YBG Policy Advisory Group, Friends of the Gardens, the Martin Luther King, Jr. Committee and interested members of the public. Approval of the remaining design concerns will permit completion of the Final Construction Documents for the Esplanade in July 1991. The project can then be bid and construction started when the Esplanade portion of the Moscone roof is available to the Agency in October 1991.

Aldo Giurgola, Architect, presented the revised Esplanade design and Houston Conwill, Artist, presented the revised Memorial design and responded to questions from the Commissioners and the public.

The following persons spoke regarding item (a): Helen Helfer, Bernal Heights Community Foundation; Sue Bierman (also speaking for Sue Hestor); and Lurilla Harris.

Ms. Bierman indicated her approval of the revised memorial design, however, she noted her concern regarding security to assure public safety in the area behind the waterfall and granite columns at night and also whether costs for the memorial will take money away from the Central Block 3 program.

Mr. Kitahata indicated he would like to see a more natural appearance of the water element.

In response to Commissioners' concerns, Mr. Helfeld indicated that costs are all within budget and if there is any change the Commission will be advised. The question of security and the stone work on the fountain will be reviewed with the design team and specific recommendations made.

Mr. Conwill indicated that the design team will consider the concerns expressed and report back to the Commission at the April 16, 1991 meeting.

In response to an inquiry from Mr. Mardikian, Mr. Giurgola indicated that the granite material is anti-graffiti.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an amendment to the Predevelopment Loan Agreement with Bernal Heights Community Foundation (Foundation) to increase the loan amount by \$25,000 for a traffic study for the development of 120 housing units at 100 Alemany Boulevard as part of the City-wide Tax Increment Program (TIHP). In May 1990, the Foundation and the Agency entered into an agreement in an amount of \$75,000 to study the potential of developing family rental housing on a portion of the City-owned site at the intersection of Alameny Boulevard and Putman Street which is currently used by the Farmers' Market on weekends. A Disposition and Development Agreement (DDA) between the Foundation and the City was approved by the Board of Supervisors on April 1, 1991 and is subject to the Foundation meeting certain conditions prior to execution of a lease agreement. Proposed funding sources for the approximate project costs of \$16.5 million, are: a State loan and Tax Credits of \$8 million; City funds of \$1.5 million; and a Federal Home Loan Bank Board loan of \$6,938,230. The TIPH Loan Committee has approved this amendment, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

The following persons spoke regarding item (b): Lurilla Harris, Farmer's Market Task Force; Joyce Kearney; Farmer's Market Task Force and Bernal Heights Community Foundation; and Helen Helfer, Executive Director, Bernal Heights Community Foundation.

Ms. Harris indicated that she was opposed to a housing project on the site, however, she would like to see a traffic study conducted.

Ms. Kearney noted her opposition to the housing project and the expenditure of additional funds on a traffic study. She noted her concerns regarding: traffic impacts; the proximity of housing to a toxic waste dump; and that the land was specifically deeded to the Farmer's Market.

At Ms. Tsen's request, Ms. Helfer gave a funding status report on the proposed project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a First Amendment to the Land Disposition Agreement (LDA), which extends the performance schedule by 90 days, with Fillmore Market Place Associates for Parcel 732-B located at the northwest corner of Webster Street and Eddy Streets in the Western Addition A-2. Subsequent to authorization on January 29, 1991 of an LDA for the construction of a low-rise development consisting of 142 for-sale condominiums with 28 units set-aside for low and moderate income households, the developer now proposes to develop an affordable

rental project due to current market conditions for financing. The developer plans to submit funding applications to the State of California Rental Housing Construction Program and California Tax Credit Allocation Committee. To assure the project will be competitive during the application review process, the developer has initiated discussions with local non-profit housing organizations to consider a possible joint venture partnership. The revised performance schedule calls for submission of evidence of financing by February 12, 1992; conveyance of the site by April 15, 1992; commencement of construction by May 15, 1992 with completion within 24 months after conveyance.

Ace Washington, WAPAC, noted his concern that the site was originally to be an entertainment center which is still needed for the Fillmore Center.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests approval of a Resolution of the Redevelopment Agency of the City and County of San Francisco to issue refunding mortgage revenue bonds for the Agency's \$46,655,000 Weekly Adjustable/Fixed Rate Multifamily Housing Mortgage Revenue Bonds (South Beach Marina Project) 1985 Issue E, and transmitting a request for approval of such bonds to the Board of Supervisors of the City and County of San Francisco in connection with Rincon Point-South Beach. The South Beach Marina project has defaulted on its payments on the bonds and is seeking to restructure its debt in order to bring the project out of default which must occur by June 1, 1991 or the project will be foreclosed upon by HUD. This resolution expresses an intent to refinance the bonds in order to prevent the loss of the affordable units which would result from a default on the existing bonds. Although it is possible the transaction will not proceed, it is essential to start the process now in order to permit timely introduction of legislation at the Board of Supervisors.

In response to an inquiry from President Bagot, Louis Preston, Assistant Director, Community Services, indicated that South Beach Marina Apartments have not agreed to accept Section 8 Certificate Holders and President Bagot indicated he would not be inclined to approve refinancing of the project unless this occurs.

Mr. Helfeld indicated he would convey this to the developer.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Personal Services Contract in an amount of \$140,000 with National Economic Research Associates, Inc. (NERA) to determine whether there is a factual predicate for re-establishing subcontractor goals. Subsequent to the Supreme Court decision in the City of Richmond vs. J.A. Croson Company, the City dropped its set-aside program, its five and ten percent preferences and its

subcontractor goals. The Agency followed suit by dropping its goal-oriented subcontracting program. Although the City contracted for a Croson study, the findings were inconclusive and not relevant to the Agency because the consultant used only those contractors registered under the City's preference program and most of the Agency's construction is generated by privately financed developers. Under the contract, NERA would determine whether there is a statistically significant disparity between the numbers of M/WBE's utilized in private sector activity, for which there are no M/WBE goals, and their availability in the Agency's market. NERA has contracted with Alameda and Contra Costa Counties to cover a study of contractor availability in eight Bay Area counties at cost of \$328,000. NERA is working with the Seattle-based Perkins Coie law firm which undertook and completed the first post-Croson assignment on behalf of ten Washington local governments. The Agency will be able to obtain the disparity study for \$140,000 because of the volume of computer accessible information on contract awards that has accumulated for a period of over five years. \$100,000 budgeted last year for a study of the availability of M/WBE subcontractors and subconsultants and of the disparate treatment of M/WBE's by the industries that employ subcontractors and subconsultants can be used for this contract and the additional \$40,000 is available in the affirmative action and project budgets. NERA's affirmative action program is considered satisfactory. Edwin Lee, Director of the Human Rights Commission, is familiar with NERA's work and supports this proposed contract.

The following persons spoke regarding item (e): Ace Washington, WAPAC; and Arnold Townsend.

Mr. Washington noted his opposition to expending funds for the study when the Agency has the statistics available and Gene Suttle, Senior Deputy Executive Director, indicated the Agency does not have the information on hand that will be covered by the study.

In response to an inquiry from Mr. Townsend, Mr. Suttle provided information on NERA's Affirmative Action Program.

Mr. Helfeld indicated that the Agency expects to start construction in excess of \$75 million and the results of the study will assist in ensuring M/WBE participation.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (d) Mr. Helfeld noted that the Bernal Heights East and South Slope Committee has not responded to the Agency's letter dated April 3, 1991, regarding the revitalization plan for the Bernal Heights East and South Slope.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Ace Washington, WAPAC, requested information on various matters pertaining to the Western Addition and invited the Commissioners to attend a Roundtable Meeting on April 12.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot requested staff investigate and report back regarding the management of the Northridge Co-op Apartments in Hunters Point.
- (b) President Bagot inquired if the Golden State Transit issue applies to the labor disputes on the Progress Seven site and requested staff investigate if there is a mediation role for the Agency.

In response to an inquiry from President Bagot, Jennifer Bell, Acting Agency General Counsel, indicated that if prevailing wages are being paid, there is no violation.

- (c) In response to an inquiry from President Bagot regarding 1866 Turk Street in the Western Addition A-2, Gene Suttle, Senior Deputy Executive Director, indicated that based upon information received on income of the tenant, there will be a substantial increase in the rent. Staff is doing a fair rental analysis for the property and will report back to the Commission.

President Bagot requested staff provide the Commission with an informational memorandum on this subject.

- (d) President Bagot indicated that he does not believe the Community Redevelopment Association is very effective and he would like to see subscriptions to Capitol Gains and Low-income Housing Coalition publications.
- (e) President Bagot noted that a meeting is scheduled for April 16 with Supervisor Gonzales and inquired regarding the Mexican Museum.

Mr. Helfeld indicated that all issues are being worked on to keep the Museum in San Francisco.

Ms. Bolanos requested the three options being considered for the Mexican Museum be provided to the Commission in writing.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS (Continued)

- (b) Sandra Brown inquired regarding funds allocated to the Agency to assist start-up businesses in the Western Addition and President Bagot indicated this should be discussed with staff.

Minutes of a Regular Meeting, April 9, 1991

President Bagot announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

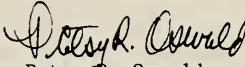
Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

parcels located in the block bounded by Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 7, 1991

SF
R35
#4
4/16/91

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF APRIL, 1991

APR 1991
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of April, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian

and the following was absent:

Leroy King (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Donald Stroh; Edith Millan; Jane Graf, Catholic Charities; Ricky Graham and Mignon McGregor, Innovative WAPAC; Ace Washington, WAPAC; Sue Hestor; Geraldine Johnson, Martin Luther King, Jr. Memorial Committee; Toye Moses, Raymond Martin, Clara Young and Adrian Marshall, Young Community Developers; Lefty Gordon, Richard Brown; Mary Trammell and Jerome Thomas, Ella Hill Hutch Community Center; Donna Levitt and Mike Dillon, Carpenters Local 22; Eric Star, Sprincin Development Partners IX; and Joseph Richardson, Carpenters Apprenticeship Program;

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) The Agency's Open House will be held on April 18 from 3:00 to 6:00 p.m. There have been approximately 500 responses to this invitation.
- (b) On May 1, 6:30 to 8:00 p.m., at the Geen Mun Community Center, 777 Stockton Street, the Mayor and the Citizens Committee on Community Development will be holding a Community Meeting on the 1992 Community Development Program.

- (c) On April 17, 5:00 to 7:00 p.m., the Western Development Group and WDG Ventures, Inc. are having an opening celebration for their 38 unit residential development at 2075 Sutter Street at Steiner Street in the Western Addition A-2.
- (d) The Pepsi Cola Plant is relocating from the Mission District to the India Basin Industrial Park. The Mission site at Valencia and 17th Streets will be a new police station and 33 units of low-income housing. Staff has been working with Pepsi Cola representatives in reviewing and approving modifications to the building. Pepsi, an equal opportunity employer, has indicated their current workforce of 100 employees will move to the new location, which will provide almost double the space they have in the Mission District.

Mr. King arrived at this time, 4:15 p.m.

- (e) To better coordinate the City's economic development activities, a City-wide Economic Development Task Force has been established comprised of: James Ho, Mayor's Office of Business and Economic Development (MOBED); Larry Del Carlo, Mayor's Office of Community Development (MOCD); and Edward Helfeld, San Francisco Redevelopment Agency. To date, the Task Force has met twice to identify areas of overlap and make recommendations for efficiency improvements and has determined that: the City should have a single contract with community organizations and service providers; MOCD will have a contract which will include activities for MOBED and the Agency; that MOCD should be principally responsible for conformity with HUD/CDBG requirements; and the Agency programs funded with CDBG funds should be reviewed by the CDBG Citizens Advisory Committee. No areas of overlapping funding have been found and the purpose of this interdepartmental task force is to make future recommendations for efficiency and improved contract administration between the three agencies.
- (f) With regard to possible housing sites, the Mayor's Office of Housing has been working on the Balboa Reservoir for some time and so there is no need for the Agency to pursue this matter. The property at 1215 Polk Street is a small site and not suitable for housing.
- (g) The Commissioners have been provided with a letter to Senator Milton Marks from Supervisor Maher suggesting an increase in compensation for Redevelopment Agency Commissioners.
- (h) A meeting was held with Supervisor Gonzales regarding relocating the Mexican Museum which has been offered free space by San Jose. The Agency is looking at a number of alternatives to try and keep the Museum in San Francisco. The Supervisor was also taken on a tour of Agency housing developments and of properties being acquired in the South of Market for housing.
- (i) The Commissioners have been provided with an informational memorandum on the revised Economic Development Mission Statement and Economic Development Implementation Plan which it is proposed

to bring before the Commission for approval at the April 30, 1991 meeting, at which time a workshop would also be held.

In response to a request from Ms. Tsen, Mr. Helfeld indicated that arrangements will be made to brief the Commissioners before the April 30, 1991 meeting.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgagee protections and other matters in connection with Yerba Buena Center. It is recommended this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (a), RESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF APRIL 23, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot announced that staff will recommend item (e), approving the proposed 1991-1992 Operating Budget for the Center of the Arts at Yerba Buena Gardens, be continued.

NEW BUSINESS- CONSENT AGENDA

President Bagot indicated that at the request of members of the public, item (b) would be removed from the Consent Agenda and considered as a Regular Agenda item. In addition, because he would like to discuss Consent Agenda item (c), it would also be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing an extension of Exclusive Negotiations, until June 12, 1991, with Hilborn Hoover Properties for the purchase of the Pier 42 Bulkhead Building and the Sublease of a portion of Pier 40; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 86-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests authorization of a change in the terms of a \$600,000 funding commitment to Catholic Charities of the Archdiocese of San Francisco for the development of property located at 16th and Church Streets, as part of the City-wide Tax Increment Program. This loan, authorized in May 1990, for the development of a 16-unit affordable housing project was to be completely deferred for fifty years. In order to maximize the use of Low-income Housing Tax Credits, the Sponsor subsequently requested that the funding commitment be structured as a \$400,000 grant and a \$200,000 loan that will be repaid over a ten year period. Since the proposed new financing terms are more favorable to the Agency, staff recommends approval of the proposed change in financing terms. Almost all planning and permit approvals have been obtained and construction is scheduled to begin in June 1991.

The following persons spoke regarding item (b): Donald Stroh; Edith McMillan; Jane Graf, Catholic Charities; Ace Washington, WAPAC; and Ricky Graham, Innovative WAPAC.

The speakers noted their concerns regarding: non-compliance with a requirement to submit a financial statement to the Budget Analyst; lack of public participation in the project; and project costs.

Ms. Graf indicated that Catholic Charities has been actively working with the community and a Community Advisory Committee comprised of individuals from the neighborhood is involved in managing the project. Approvals have been obtained from the Board of Supervisors on two occasions and the project was unanimously approved by the City Planning Commission, all at public meetings.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the sources of the remaining project financing are the State's Rental Housing Construction Program and Low-income Housing Tax Credits. The Agency has been involved in five successful projects with Catholic Charities who serve low and moderate income persons.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that to his knowledge there is no investigation of Catholic Charities by HUD.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Fourth Amendment which revises the Performance Schedule of the Land Disposition Agreement with Sprincin Development Partners IX for Parcels 779-B and C located in the block bounded by Fulton,

McAllister, Fillmore and Steiner Streets; Western Addition A-2. The developer of this proposed residential condominium project with a senior citizens daycare facility, has requested a 120 day extension for submission of evidence of financing because the previous lender denied their request for financing.

In response to an inquiry from President Bagot, Eric Star, Sprincin Development Partners IX, indicated that the market is difficult, however, several lending institutions have been contacted in efforts to obtain a financing commitment and he believed the project will proceed.

Ace Washington, WAPAC, indicated his willingness to assist the developer in obtaining creative financing through non-profits.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-91 BE ADOPTED.

Ms. Tsen left the meeting at this time, 5:00 p.m.

- (d) Mr. Helfeld introduced item (d), which requests approval of the resolution of the remaining Design Concerns related to the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. In December 1990, the Preliminary Construction Documents for the Esplanade were approved subject to the resolution of certain design concerns which were subsequently satisfactorily addressed and presented at a number of review sessions with various groups and at a public workshop on April 9, 1991. Because the Mayor was called out of town today, he has not been able to review the architect's most recent revisions to the fountain area. Staff is therefore recommending that the approval of the fountain stonework be deferred until the April 23, 1991 meeting. However, in order to allow the architects to proceed on their very tight schedule for completing working drawings, Commission approval is recommended of the other four design issues. These relate to: (a) the Martin Luther King, Jr. Memorial; (b) the Sister Cities Garden; (c) refinement of the Esplanade's decorative elements and (d) coordination with the CB-2 retail development. Approval of these design issues, and of the fountain at the April 23 meeting, will permit completion of the Esplanade's Final Construction Documents in July 1991. The project can then be bid and construction started when the Esplanade portion of the Moscone roof is available to the Agency in October 1991. A revised resolution has been provided. Resolution of the concerns regarding the fountain stonework and security will be presented at the April 23, 1991 meeting. In addition, a letter has been received from Olympia & York regarding coordination of the retail project with the CB-2 public gardens which needs to be discussed.

The following persons spoke regarding item (d): Sue Hester; and Geraldine Johnson, Martin Luther King, Jr. Memorial Committee.

Ms. Hestor noted her concern regarding: the solid massing of stone; security; and the need for more of a fun atmosphere on Central Block 2.

On behalf of the Martin Luther King, Jr. Memorial Committee, Ms. Johnson expressed appreciation at the progress made. She noted that a meeting had been held with the Mayor to discuss remaining issues which Houston Conwill, Artist for the Memorial, is studying.

Mr. Kitahata noted that he and Ms. Tsen are not satisfied with the design of the fountain which appears too dark and that the security could be addressed by having the design of the fountain more open.

Mr. Helfeld indicated that it is not possible to depict the stonework properly in model form and in this artificial light. In reality, the fountain will not be as dark as it appears from the model. Also, the basic spiritual design does put it behind something, the waterfall. This is the basic spiritual feeling, closed in, so an individual can reflect in a spiritual way on the person honored.

ADOPTION: IT WAS MOVED BY MR. KING SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests approval of the Operating Budget for Fiscal Year 1991-1992 for the Center of the Arts at Yerba Buena Gardens in connection with Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (e), RESOLUTION NO. 90-91, WOULD BE CONTINUED TO THE MEETING OF APRIL 30, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

Ms. Tsen returned to the meeting at this time, 5:25 p.m.

- (f) Mr. Helfeld introduced item (f), the purpose of which is for the presentation of Second Quarterly Reports by Ella Hill Hutch Community Center (EHHCC) serving the Western Addition and Young Community Developers (YCD) serving Hunters Point and the India Basin Industrial Park. A contract with EHHCC, approved in June 1990, in an amount of \$224,000 for the period of July 1, 1990 to June 30, 1991, was subsequently amended to provide \$28,080 to fund the position of an employment specialist to expand the Center's general employment program. During this fiscal year, a measurable objective was set to serve 1,200 participants for its construction, apprenticeship and general employment components. An analysis of the program performance indicates it has exceeded its projected goals on clients served, however, the goals were not met in the areas of construction and apprenticeship. Because of the difficulty in placing individuals in the various apprenticeship programs, an Advisory Committee has been formed to assist in improving their placement goal for the next quarterly report and concerted efforts have been made to become more responsive to general contractor and subcontractor requests for qualified resident workers. In efforts towards self-sufficiency, the feasibility of becoming a fee-for-service program is actively being researched. Staff believes that, in general, EHHCC is doing

a good job and has implemented improvement strategies. The contract with YCD was approved in August 1990 in an amount of \$150,000 for the period August 1, 1990 to July 31, 1991. During this fiscal year, YCD set measurable goals to serve 500 clients, 300 in general employment and 200 in construction and set an annual goal of placing 165 clients. An analysis of YCD's program performance indicates it has exceeded its goals on clients served and placements for both general and construction components. YCD is attempting to mitigate problems in serving hard to place residents in the area by offering more comprehensive employment services together with supportive services. Staff is working with YCD to create a better publicized job program and in developing the CALA job recruitment and referral program for the supermarket in the South Bayshore. Staff believes YCD is performing satisfactorily, however, a plan for self-sufficiency needs to be developed as well as a general employment brochure and outreach program.

Toye Moses made the presentation for YCD and Lefty Gordon made the presentation for EHHCC.

The following persons spoke regarding item (f): Donna Levitt and Mike Dillon, Carpenters Local 22; Joseph Richardson, Carpenters Apprenticeship Program; and Rickey Graham, Innovative WAPAC.

The speakers noted their concern that the developer of the Progress Seven project does not have an apprenticeship program.

Ms. Levitt indicated she had requested a copy of all contracts between the Agency and Progress Seven and various other records, including information on affirmative action hiring and compliance of Progress Seven and all subcontractors on the project. She noted her concern that the developer is not meeting affirmative action goals for women and does not have an apprenticeship program.

Ms. Tsen indicated she had visited the offices and met with staff of EHHCC and YCD and felt Agency staff has done an excellent job with these organizations.

Mr. Gordon introduced EHHCC staff members, Joyce Crum, Mary Trammell, Jerome Thomas and Richard Brown.

Mr. Moses introduced YCD staff members, Raymond Martin, Adrian Marshall and Clara Rogers.

Mr. Gordon and Mr. Moses expressed appreciation to Agency Economic Development staff, Leamon Abrams and Isabella Wong for their assistance.

In response to an inquiry from President, Bagot, Robert Firehock, Acting Agency General Counsel, indicated that the Agency requires developers to pay prevailing wages but cannot require them to use union contractors.

Mr. Suttle indicated that the issues raised by Ms. Levitt will be investigated by staff and arrangements made to provide her with the documents requested.

In response to an inquiry from Mr. Kitahata, Robert Firehock indicated any attempt at mediation by the Commission would create an exposure to liability for the Agency based on the U.S. Supreme Court's decision in the Golden State Transit case.

Mr. Richardson indicated that Progress Seven has not requested apprentices as required by the Public Works Law and Mr. Firehock indicated that since this is not a Public Works contract, it does not fall within the requirements of that law.

Mr. King indicated that, although there are no legal requirements, the Agency indicates very strongly to developers to use union labor and to comply with affirmative action within the agreement.

- (g) Mr. Helfeld introduced item (g), which requests consideration of proposed Agency position on Assembly Bill 315 (Friedman) which would amend the California Community Redevelopment Law provisions pertaining to the Low and Moderate Income Housing Fund. This legislation, which is being sponsored by the Western Center on Law and Poverty, would substantially raise the percentage of tax increment funds required for low and moderate income housing and make other changes to increase spending of housing setaside funds. Staff recommends support of the Bill with certain changes which are: increase the low-moderate income housing setaside from 20 percent to 35 percent, rather than to 50 percent, for communities that have not met their annual housing goal and leave the minimum requirement at 20 percent for communities that have met their goal. Strengthen monitoring and enforcement of housing setaside requirements by: requiring the State Department of Housing and Community Development to monitor redevelopment agencies' compliance with the housing setaside law and give that Department authority to stop a community's authority to spend tax increment funds except under certain conditions; reduce the period for redevelopment agencies to commit funds from the Low and Moderate Income Fund from five to four years; establishment of a two year limit for funds to be spent by local housing authorities and of financial incentives for communities to meet their annual housing goals. Support the elimination of certain findings that redevelopment agencies have used to defer or avoid housing expenditures and increase the percentage of housing developed by redevelopment agencies that must be affordable from 30 percent to 40 percent, rather than to 60 percent; and increase the percentage of privately-developed housing in redevelopment areas that must be affordable from 15 percent to 20 percent, rather than to 30 percent. The bill is strongly opposed by the League of Cities and the California Redevelopment Association, however, it is supported by the Los Angeles Community Redevelopment Association with recommended compromises to reduce opposition to the legislation. Commission approval to support this legislation and to transmit the suggested amendments to the sponsor and local legislators is recommended.

After an extensive discussion between the Commissioners and staff, Ms. Tsen indicated she would support the entire Bill without staff recommended changes except for the following provisions recommended by Mr. Helfeld as follows: (1) the obligations for housing setasides should exempt existing debt obligations or encumbered funds; (2) the legislation should be amended to strengthen the monitoring and enforcement of the housing setaside requirements consistent with the staff recommendation; (3) that the percentage of Agency-developed housing which is affordable to low and moderate-income households be increased from 30 percent to 40 percent for redevelopment project areas adopted after the passage of A.B. 315; and (4) that the percentage of privately-developed housing in redevelopment project areas that is affordable to low and moderate-income households be increased from 15 percent to 20 percent.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MR. KITAHATA VOTING NO, THAT RESOLUTION NO. 91-91, AS AMENDED, BE ADOPTED.

Ms. Bolanos left the meeting at this time, 6:30 p.m.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ricky Graham, Innovative WAPAC, and Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition A-2. Mr. Washington requested WAPAC records and Mr. Helfeld indicated that the records belong to the old WAPAC and until Mr. Washington can prove he is the same entity or its legal successor, access to the records will be denied.
- (b) Mignon McGregor, Innovative WAPAC, inquired regarding obtaining funds for business expansion and President Bagot indicated she should contact Urban Economic Development Corporation or staff.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties.

There are five additional Closed Session items which arose subsequent to posting of the agenda on Friday, April 12, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

Minutes of a Regular Meeting, April 16, 1991

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON April 12, 1991.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street in the Western Addition A-2 with Fillmore Center Associates; and

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments; and

southeast corner of Bush and Steiner Streets in the Western Addition A-2 with FTP Investment Corporation; and

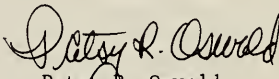
126 and 241 Sixth Street in the South of Market with N. Patel; and

124 Howard Street in the South of Market with Montgomery Investments.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to eight Closed Session on Real Property Negotiations. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 14, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF APRIL, 1991

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of April, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian

and the following was absent:

Leroy King

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Larry McEwan and Mark Evans, MGA Partners; Lorna Chandler, Assett Protection, Inc; Geraldine Johnson, Martin Luther King, Jr. Civic Committee; Sue Hestor; Elen Lieber, Access/Abilities; Cathy Lovallo, Bayview Job Coalition; Peter La Brie, City Planning Department; Rhody McCoy; Tom Swift, San Francisco Museum of Modern Art; Mark Otsea, Hellmuth, Obata, & Kassabaum; Ace Washington, WAPAC; John Elberling, TODCO; Edith McMillan; Donald Stroh; Naomi Porat, Sedway Associates; Mike Mahoney and Jay Pakashis, San Francisco Police Department; Stanley Pauer, Physically Disabled Quorum; Steve Munkdale, Munkdale Bros; Clara Rogers, Young Community Developers; Gwen Leath, Union Bank; and Vivian Wiley, BMA.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Meetings will be held on April 25, 1991 with Supervisor Migden at 10:00 a.m. and with Supervisor Shelley at noon. President Bagot will accompany the Executive Director to the meeting with Supervisor Shelley and it would be helpful if other Commissioners could attend either of the meetings.
- (b) A letter has been received from Olympia & York indicating the scheduled payment of \$9.9 million for the CB-1 Office Building will be made on May 1, 1991 plus additional interest and construction cost premiums which should total approximately \$10.6

million. The bid for the steel expires on May 7 and, based on the funds the Agency presently has in hand, the steel can be awarded for one cultural building. When the May 1st payment is received the steel can be awarded for both buildings. It is proposed that the April 30, 1991 meeting be continued to May 2, 1991, at which time a steel contract can be awarded for one building and for both buildings if the the May 1 payment has been received.

It was the consensus of the Commission that the April 1991 meeting would be continued to May 2, 1991, 5:30 p.m.

- (c) The Agency's Open House held on April 18 was very successful. Commissioner King attended and at least 500 persons from City government, the community and people the Agency does business with were there to help the Agency celebrate its new offices.
- (d) On May 1, 1991, 5:00 to 7:00 p.m., the Consortium of Contracting Agencies, which consists of four community-based employment assistance center, Ella Hill Hutch Community Center, Mission Hiring Hall, South of Market Employment Center and Young Community Developers, will hold a celebration. Through funding from the Mayor's Office of Community Development, the San Francisco Housing Authority and the Redevelopment Agency, this consortium has placed over 1,000 individuals in jobs this year alone and they would like to celebrate their achievements. The event will be held in the Green Room at the War Memorial Building.
- (e) The Commissioners have been provided with a memorandum regarding housing opportunity sites for the South Van Ness/Hayes Valley Communities. The thirteen sites identified have the potential to produce over 2,800 housing units. The sites could possibly be incorporated into a redevelopment area, which could be non-contiguous. Staff is exploring this concept with the City Planning Department and will keep you informed.

In response to an inquiry from Mr. Kitahata regarding the potential for office space, Mr. Helfeld indicated that there will need to be commercial uses to fund the affordable housing. Mr. Kitahata indicated that if there are any sites close to City Hall, there might be a possibility of a joint venture with the City to build needed City offices.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens to permit the withdrawal of Marriott Corporation as a general partner of the Developer Limited

Partnership, and to amend the Central Block 1 (CB-1) Retail Lease, the DDA and the Reciprocal Easement Agreement with respect to mortgage protections and other matters in connection with Yerba Buena Center. It is recommended this item be continued.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), REESOLUTION NO. 69-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF APRIL 30, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests approval of the resolution of Remaining Design Concerns related to the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. At the April 16, 1991 meeting, the resolution of design concerns relating to the Martin Luther King, Jr. Memorial were approved, however, approval of the fountain stonework, fountain security and coordination with Olympia & York were delayed pending further review and study. Review sessions and discussions have been held with representatives of the Martin Luther King, Jr. Civic Committee to resolve the security issue. However, because all concerns have not been resolved, it is proposed to postpone approval of the fountain stonework and esplanade/retail coordination issues with Olympia & York until the April 30, 1991 meeting. A revised resolution will be prepared.

Larry McEwan, MGA Partners, and Lorna Chandler, Assett Protection, Inc. made presentations on the proposed security measures.

The following persons spoke regarding item (b): Geraldine Johnson, Martin Luther King, Jr. Civic Committee; Sue Hestor; and Ellen Lieber, Access/Abilities.

Ms. Johnson noted that the Civic Committee is satisfied with the proposed security arrangements and requested they be approved.

Ms. Hestor thanked the architects and staff for the substantial resolution of the massing problem.

With regard to security, Ms. Lieber suggested installation of a light system to alert deaf and hard of hearing persons to danger and offered assistance in its implementation.

Commissioners Kitahata and Tsen indicated that they are still not satisfied with the design and there is a need for further discussion with the architects in this regard.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-91, AS AMENDED, BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

President Bagot indicated that he would like to discuss item (b) and it would therefore be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Approving payment to the California Department of Health Services in the amount of \$15,269.00 for oversight of toxics remediation on Site K; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY THAT CONSENT AGENDA ITEM (a), RESOLUTION NO. 93-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Fifth Amendment to the Personal Services Contract HM/WC-1 with Harding Lawson Associates which increases the scope of services to include oversight of construction activities relative to mitigation of contaminated materials and related matters in connection with All Redevelopment Project Areas and other Designated Sites.

In response to an inquiry from President Bagot, Bill Nakamura, Chief, Engineering and Rehabilitation, indicated that Harding Lawson Associates' affirmative action program had been provided to the Commission at the time previous amendments were approved, however, another copy will be provided.

- (c) Public Hearing to hear all persons interested in a Lease with Cala Foods, Inc. for operation of a supermarket at 345 Williams Avenue; South Bayshore.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests authorization of a Lease with Cala Foods, Inc. for the development and operation of a full service supermarket at 345 Williams Avenue located at the southeasterly corner of Williams Avenue and Phelps Street in the South Bayshore. Subsequent to approval in October 1990 of a Memorandum of Understanding, a ten year lease has been negotiated with six renewable option periods of five years each. Terms include: basic annual rental of \$180,000 for the first five years plus a percentage rent of 1.25 percent of annual gross sales, less offsets for the minimum rent, cost of liability insurance and real estate taxes; Cala will receive an offset of the first year's rent, not to exceed \$50,000 in reimbursement for building a serviceable and effective loading dock; remodelling of the existing facility and parking lot at Cala's expense; the Agency will provide a \$500,000 tenant improvement loan to Cala to be repaid over the lease term. It is anticipated development of the

supermarket will: eliminate blight; create 75 to 100 full and part-time jobs; and assist overall neighborhood revitalization efforts in the South Bayshore. Cala will use best faith efforts to secure at least 75 percent of its workforce from the community of unemployed and underemployed persons and has agreed to comply with the Agency's affirmative action requirements and prevailing wage provisions. Employment priority preference will be given to residents of zip code area 94124 and that portion of zip code area 94134 south of Mansell Street.

In response to an inquiry from Cathy Lovallo, Bayview Job Coalition, Mr. Helfeld indicated that it is anticipated the supermarket will open in September 1991.

Shirley Wysinger, Assistant Project Coordinator, Western Addition/Hunters Point/India Basin indicated that staff has been working with Young Community Developers to implement a training program and reported on progress to date.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to award Professional Services Contracts in an amount of \$45,000 to Sedway Associates and in an amount of \$25,000 to Business Development, Inc. to undertake the Third Street Corridor Commercial Implementation Program. In November 1988, City Planning issued the "South Bayshore Plan" which sets forth recommended objectives, policies and implementation actions for that area according to: land use; transportation; housing; commerce; industry; urban design; recreation and open space; community facilities and services; public health and safety; and energy conservation. A Committee was subsequently formed comprised of City Planning, The Mayor's Office of Business and Economic Development (MOBED) and the Agency to determine how to implement and achieve the goals contained in the Plan. The Committee determined current market and land use data was needed to direct and facilitate public private development and a Request for Proposals was issued for consultants to gather this information. A Citizens Review Committee was created to review the proposals, select consultants and provide community input. Based upon criteria developed, the Committee selected Sedway Associates and Business Development to develop the first phase of a two-phase action-oriented program which can be utilized by both the business community and residents of the South Bayshore area to improve the economic conditions of the Third Street Corridor. Polaris Research & Development and Ken Simmons & Associates were selected to develop Phase II and approval of these consultants will be before the Commission for consideration at a future date. Completion of Phase I is expected to take approximately three to four months. City Planning, MOBED and the Agency will serve as a

Technical Review Committee and ensure that the process is proceeding satisfactorily.

The following persons indicated support for item (d): Peter La Brie, Department of City Planning; and Rhody McCoy.

At the request of the Commission, Thomas Conrad, Chief, Planning and Programming, and Leamon Abrams, Chief Economic Development, provided further information on this item and responded to questions from the Commissioners.

In response to a concern expressed by President Bagot, Mr. Abrams indicated that the issues of drug dealing and street crime will be addressed in the second phase of the study.

President Bagot noted his concern that funds cannot be expended in non-redevelopment areas.

The Commissioners requested staff keep them informed by periodic progress reports.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests Conditional Approval of the Schematic Drawings submitted by the San Francisco Museum of Modern Art (SFMAA) for the development of a new Fine Arts Museum Building on the East Block 2 (EB-2) Museum Site located on the east side of Third Street between Minna and Hunter Streets in Yerba Buena Center. In January 1991, a Disposition and Development Agreement (DDA) was authorized for the development of a first class Fine Arts Museum on the EB-2 Museum Site and an Auxiliary Museum to be located in Jessie Street Substation, an historic landmark building to be rehabilitated. Schematic Drawings for the EB-2 Museum Site development, which will replace the developer's present facility in the War Memorial Veterans Building, have been submitted for consideration in advance of the scheduled June 14, 1991 date. Staff finds the Schematic Drawings prepared by Mario Botta of Switzerland and Hellmuth, Obata & Kassabaum of San Francisco acceptable, subject to the resolution of certain design concerns during the Preliminary Construction Documents phase. These concerns are: more detailed design studies indicating colors, materials and detailing of the building elements are required; landscape plans indicating the proposed design for the street level areas, including paving materials and proposed street trees and the trees on top of the building need to be submitted; and assurance is needed that the proposed encroachment of the museum building into the Natoma Street turnaround area is acceptable to the various City Departments and agencies. In connection with the requirement that the developer provide a vehicular turnaround at the terminus of Natoma Street because of the closing of Hunt Street, the City's Interdepartmental Staff Committee on Traffic and Transportation has approved the turnaround concept to be located adjacent to the Museum Building.

Tom Swift, SFMMA; Mark Otsea, Hellmuth, Obata & Kassabaum, presented the design concept.

Sue Hestor noted her concern regarding the configuration of the street trees and the trees on top of the building and inquired if there has been a wind tunnel analysis.

In response to an inquiry from Ms. Tsen, Mr. Swift indicated that trees are a controversial part of the design. The type of trees are presently being discussed with the landscape planners to determine how the system will work and how replacements will occur.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to award Contract V-STREET IMPROVEMENTS to Munkdale Bros. Inc., on the basis of lowest responsive bid received, in an amount of \$248,892 for construction of street, utility and streetscaping improvements in Community Facilities District No. 1, South Beach, in Rincon Point-South Beach. In response to extensive advertising, six contractors submitted bids ranging from \$248,892 to \$327,525. The low bid is 9.2 percent below the Engineer's estimate of \$271,810. Work to be performed includes improvement of Townsend Street between Second and Colin P. Kelly, Jr. Streets and of Federal Street between First and Rincon Streets and will bring the street, utility and streetscape improvements close to completion. The contract will be paid entirely from bond proceeds of the Mello Roos Community Facilities District No. 1 which is funding \$8.1 million of the public streets, plaza and park improvements in South Beach. Munkdale Bros., headquartered in San Mateo, has been in business since 1967 and has satisfactorily completed numerous public improvement projects, including a \$1.134 million Agency contract in the India Basin Industrial Park. The firm's affirmative action program is considered acceptable.

Mr. Mardikian left the meeting during Mr. Helfeld's presentation, 5:26 p.m.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-91 BE ADOPTED.

Mr. Mardikian returned to the meeting at this time, 5:30 p.m.

- (g) Robert Gamble, Deputy Executive Director, Finance, introduced item (g), which requests authorization to purchase Financial Accounting Software from and enter into License Agreements with JD Edwards & Company in an amount not to exceed \$316,000 for implementation, related maintenance, consulting and training services. The Agency's current accounting software is on the average ten years old and for the last several years, the auditors have identified the financial systems now in use as a material weakness which can only be corrected by replacing most of the existing software. Out of nineteen vendors solicited to respond to a Request for Proposals for new software able to take full advantage of the

recently implemented AS/400 System, only three proposals were submitted and two of these were considered qualified. Staff viewed functional and technical demonstrations of the two products and found only those offered by JD Edwards capable of meeting certain key reporting requirements. JD Edwards has no employees or operatives or sales personnel in South Africa, however, because of the worldwide nature of computer software, the firm's products are sold there through wholesalers and intermediate jobbers. The proposed purchase has been discussed with the City's Purchasing Department who concur this transaction should be considered exempt pursuant to Section X.E. of the South Africa regulations which provides for an exemption for sole sources of commodities and services. Fifteen percent of the firm's employees are minority in the category of officials, managers and professional sales force in their local office and women account for 45 percent in these same categories overall. Based on the fact that in this industry most firms have a large staff of CPA's who historically have less than optimal affirmative action records, JD Edwards affirmative action record is considered acceptable. They have been encouraged to intensively pursue their recently adopted minority recruiting policies which will be monitored by staff.

President Bagot indicated that this item had been discussed with Commissioner King who is satisfied with respect to the firm's situation regarding South Africa.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-91 BE ADOPTED.

- (h) The purpose of this item is to determine whether or not to terminate the Owner Participation Agreement (OPA) with Robert and Sandra Feher for 250 Fourth Street in Yerba Buena Center. Staff memorandum to the Commission recommended terminating the OPA on April 25, 1991, however, today staff was informed of a new proposal. It is therefore proposed that the termination date of the OPA be extended to May 2, 1991, to permit review of the proposal and staff will make a recommendation to the Commission at the April 30, 1991 meeting.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE TERMINATION DATE OF THE OWNER PARTICIPATION AGREEMENT WITH ROBERT AND SANDRA FEHER BE EXTENDED TO MAY 2, 1991.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA , BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition A-2 and WAPAC records.
- (b) John Elberling, TODCO, noted his concern regarding the Agency's development of Single-Room Occupancy units at the Anglo Hotel site in the South of Market Earthquake Recovery Area, as outlined in his letter of April 23, 1991.

President Bagot indicated a workshop will be held on this subject at the April 30, 1991 meeting.

- (c) Edith McMillan noted her concern that all questions in her letter to the Agency's Housing Department regarding the Catholic Charities project had not been answered.

President Bagot indicated that Ms. McMillan should discuss this matter further with staff and if she still does not receive the requested information she should advise the Commission.

- (d) Donald Stroh noted his concern regarding the Agency's financial arrangements with Catholic Charities and loss to the City in taxes by this investment. He inquired who will hold title when the project is completed.

President Bagot indicated that Catholic Charities is a non-profit organization, which does not make a profit, but is providing affordable housing for low income persons. Catholic Charities will hold title to the development which the Agency requires will remain affordable forever.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Associates; and

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments.

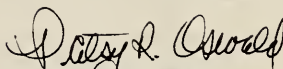
There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to five Closed Sessions on real property negotiations and a Closed Session on Personnel. The meeting adjourned at 5:50 p.m.

Minutes of a Regular Meeting, April 23, 1991

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED

May 14, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF APRIL, 1991

APR 30 1991

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 30th day of April, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following were absent:

Fei Tsen, Vice President (Arrived 4:35 p.m.)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Sue Eierman and Sue Hestor, Friends of the Gardens; Al Williams, Olympia & York; Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens; Karen Fischer, Center for the Arts at Yerba Buena Gardens; Bill Richardson, The Management Center; Matthew Witte; Yerba Buena Gardens Marketing Alliance; Steve Tabor, California Historical Society; Lisa Frankel; Bert Damner, Damner, Pike & Company; Anna Shul, Vista Del Monte Apartments; Essie Collins; Ace Washington, WAPAC; Lois Scott and Paul Ward, City Planning Department; John Elberling and Jane Kenzler, TODCO; John Stewart; Tom Jones, Mayor's Office of Housing; Bob Herman, Architect; Dino Di Donato, South of Market Problem Solving Council; J.I. Wheelock; Sam Murray, New Bayview Committee; Edward Gallaread; Walter De Frantz, Fillmore Merchants; Katherine Nash, WANA; and Helen Gary Brown, Glenridge Apartments.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) It is requested that item 6 (c) regarding an Owner Participation Agreement with F.T.P. Investment Corporation be continued for one week at the request of the developer.

- (b) Staff recommends that item 6 (h) regarding the award of a steel contract for two Cultural Buildings in Yerba Buena Center be continued to an adjourned meeting on May 2, 1991 at 5:30 p.m.
- (c) On May 1, 5:00 to 7:00 p.m., the Consortium of Contracting Agencies, Ella Hill Hutch Community Center and Young Community Developers will be holding an event to celebrate placement of 1,000 jobs at the Green Room of the War Memorial Building at Van Ness and McAllister. President Bagot will be presented with a plaque for the Agency's contribution to these programs.
- (d) Staff has researched several options to assist the Mexican Museum remaining in San Francisco and will be providing the Commissioners with a copy of a letter to Supervisor Gonzales in this regard.
- (e) Briefings were held with Supervisors Migden and Shelley who appeared to be very receptive to the Agency's programs.
- (f) The Commissioners have been provided with an informational memorandum responding to questions raised regarding the selection of the Third Street consultants.
- (g) Staff is recommending that the Request for Proposals (RFP) for 7th and Natoma be revised to a Request for Qualifications (RFQ) by dropping the project design requirements of the RFP and to include the 1024 Howard Street site. This would accelerate the selection of a developer for the Howard Street site in order to allow a developer time to apply for State Rental Housing Construction funds and tax credits. The South of Market Citizens Advisory Committee has stated a preference that the Howard Street site be developed as family housing. Therefore, the qualifications for both this site and 7th and Natoma would be the same. The South of Market Problem Solving Council has reacted favorably to this proposal.

In response to an inquiry from President Bagot, Jack Robertson, Development Specialist, indicated that ten developers have requested RFQ packets, six of whom are non-profits.

- (h) The Mayor will be holding a Press Conference on May 3, 10:30 a.m., to accept the \$11.1 million check from Olympia & York for Yerba Buena Gardens. The event will be held at the Moscone Convention Center.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Tenth Amendment to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens; Yerba Buena Center.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Ms. Tsen arrived at this time, 4:35 p.m.

David Madway, Agency General Counsel, introduced item (a), which requests authorization of a Tenth Amendment to the Restated and Amended Disposition and Development Agreement (DDA) between the Redevelopment Agency of the City and County of San Francisco (Agency) and Yerba Buena Gardens, L.P. (Developer), which (1) amends the form of the CB-1 Retail Lease, (2) authorizes changes in the composition of the Developer Entity and release of Marriott Corporation as a General Partner of the Developer, (3) provides for the guaranty of the Developer's obligations under the DDA and permits substitution of the Guarantor, (4) modifies the standard for approval of certain design changes and changes in the scope of the CB-1 retail program, (5) provides for termination of the DDA with respect to fully performed Developer obligations on parcels as to which a Certificate of Completion and Right to Occupy has been issued, (6) expands the definition of Bona Fide Institutional Lender, (7) formally conditionally approves the Land Disposition Agreement entered into between Agency and the San Francisco Museum of Modern Art, (8) provides for possible release by Developer from the DDA of the CB-1 Sports Parcel, and (9) makes certain other changes in the rights and obligations of the Developer and Agency which do not materially adversely affect the rights of the Agency.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

The Commissioners commended all parties involved in the negotiations for their efforts in reaching agreement on the Tenth Amendment.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval of the resolution of the remaining Design Concerns related to the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. At the April 23, 1991 meeting, design concerns relating to the security of the Martin Luther King, Jr. Memorial were approved, however, approval of the fountain stonework and coordination with Olympia & York were held over for further review and study which has resulted in refinements and clarification to these elements. Following a review session with the Mayor, further refinements to the fountain stonework have been developed which include an increased variation to the vertical profile of the granite piers within the fountain and an exploration of additional water effects in interaction with the stone. In addition, further information has been provided to Olympia & York regarding recommended resolutions of coordination issues related to the routing of Marriott and Moscone Exit stairs and mechanical ducts. Approval of the remaining design concerns will allow for completion of the Esplanade's Final Construction Documents on schedule in July 1991. The project can then be bid and construction started when the esplanade portion of the Moscone roof is available to the Agency in October 1991.

The following persons spoke regarding item (b): Sue Bierman, Friends of the Gardens; and Al Williams, Olympia & York.

Mr. Williams indicated that Olympia & York are prepared to accept the Agency's recommended resolutions of coordination issues related to the routing of Marriott and Moscone exit stairs but reserve the right to hold further technical discussions.

Commissioners Tsen and Kitahata indicated that they are still not satisfied with the waterfall element.

President Bagot noted the importance of keeping the schedule.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MR. KITAHATA ABSTAINING AND MS. TSEN VOTING NO, THAT RESOLUTION NO. 107-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval of the Operating Budget for Fiscal Year 1991-1992 for the Center for the Arts at Yerba Buena Gardens (Center) in connection with Yerba Buena Center. In March 1991 when the Commission approved the proposed Agency's budget, the operating budget for the Center was excluded to permit an independent salary analysis which the Agency contracted the Management Center to conduct. The Management Center concluded that the Center's budget is reasonable for an organization of this size during this period of its development. Upon approval by the Commission, the Center's budget will be submitted to the Mayor and the Board of Supervisors.

The following persons spoke regarding item (c): Sue Hestor, Friends of the Gardens; Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens; and Bill Richardson, The Management Center.

Ms. Hestor noted her concern regarding the operating budget and that other activities in CB-3 will not be receiving sufficient financial support. In addition, she believed the staff salaries are too high.

Mr. Allen noted that an independent outside consultant has determined salaries to be reasonable during this period of development.

Helen Sause, Project Director, Yerba Buena Center, indicated that staff has developed a plan that does involve operating support for CB-3 as well.

In response to an inquiry from President Bagot, Mr. Allen indicated that fundraising will commence next year and President Bagot requested information in writing regarding how much is expected from fundraising sources.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-91 BE ADOPTED.

(d) Mr. Helfeld introduced item (d), which requests authorization to extend the Termination Date from May 2 to August 7, 1991 of the Owner Participation Agreement (OPA) with Robert and Sandra Feher (Owners) for 250 Fourth Street in Yerba Buena Center. The rights and obligations under an OPA entered into in July 1985 with 250 Fourth Street, Ltd. to develop the property through a two phase process were subsequently assigned to the Fehers, owners of the property. The first phase was minor improvements to an existing three-story office building, occupied since 1988 by Ansel Adams' Photographic Gallery who made substantial improvements to the property prior to their occupancy. The second phase initially consisted of a four-story addition to the existing building, however, because of concerns raised by two senior citizens housing developments that bound the property, the second phase was changed calling for the construction of a 77,000 square foot office building which would replace the existing building and a conceptual design acceptable to all parties was developed and included in the OPA. Although the OPA schedule required submission of design development documents and specifications by December 1989 and commencement of construction no later than September 1990, no plans beyond those developed and included in the OPA were submitted. A termination notice was issued due to the owner's failure to proceed with the office building development within the time limits provided under the agreement and subsequent cure periods. Termination would have occurred on April 25, 1991, however, at the April 23, 1991 meeting the Commission extended the termination date to May 2, 1991 to permit review of a new proposal submitted by the owners. The new proposal is to add two stories of approximately 14 feet each plus a 7 foot crawl space between the existing building and the upper two levels, resulting in an addition of approximately 35 feet in height. The proposed use would be for gallery expansion, related retail and possibly a restaurant. Because the Ansel Adams Gallery is an important component of the Yerba Buena Center cultural facilities, staff supports the proposed expansion of the existing facilities with the understanding that concerns of neighboring residents be taken into consideration.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-90 BE ADOPTED.

President Bagot announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property location is Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency may negotiate with is YBG Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:35 p.m.

RECONVENED

At this time the meeting reconvened to the Regular Session, 5:55 p.m., with the same roll call.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

Mr. Helfeld indicated that with regard to item 6 (b), authorizing issuance of \$30 million of tax-exempt general obligation notes for Yerba Buena Gardens, the Mayor has requested a full briefing on the financing for the bonds and it is recommended this item be continued to the adjourned meeting to be held on May 2, 1991 at 5:30 p.m.

Sue Bierman, Friends of the Gardens, indicated she would not be able to attend the May 2nd meeting and noted her concern regarding CB-3 financing and that there is not sufficient protection in the budget for children's uses.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for a Status Report from the Yerba Buena Gardens Marketing Alliance (Alliance) in connection with Yerba Buena Center. The Alliance, which is comprised of property owners, cultural institutions, hotels, business managers and residents, has been formed to develop a comprehensive public information strategy for Yerba Buena Gardens. Staff has participated in meetings of the Alliance in order to facilitate this effort to publicize the new neighborhood that is being formed South of Market. The Commissioners have been provided with the Alliance's Mission Statement, Membership Fee Scale and proposed budget.

Matthew Witte made a presentation on behalf of the Alliance and introduced Steve Taber, California Historical Society; and Lisa Frankel, Yerba Buena West. He indicated that within the next few weeks it is hoped to request financial support from the Agency for this organization.

The following persons spoke in support of item (a): Steve Tabor, California Historical Society; Lisa Frankel; Karen Fischer, Center for the Arts at Yerba Buena Gardens; and Bert Damner, Damner-Pike & Company.

Mr. Tabor noted that the Historical Society will be moving into the Jessie Hotel which will improve public access as well as bring in support and patronage.

Ms. Frankel noted that a lot of time has been put into the project by many people and it is hoped to produce a newsletter and Agency support is being sought.

President Bagot indicated he would like see what contributions are made by other entities.

- (b) President Bagot announced that item (b), which requests authorization to issue \$30 million in Tax-Exempt Short-Term Notes to be used for construction of public improvements on Central Blocks 2 (CB-2) and 3 (CB-3) in Yerba Buena Center, would be continued to the Adjourned Meeting of May 2, 1991 at 5:30 p.m.
- (c) Mr. Helfeld introduced item (c), which requests authorization to request the Center for the Arts at Yerba Buena Gardens to establish two non-voting positions for two Agency Commissioners, appointing two Commissioners to fill such positions, and also appointing two Agency representatives to serve on the Center's Board of Directors in connection with Yerba Buena Center. Staff memorandum to the Commission dated April 10, 1991 indicated that Agency General Counsel advises that an Agency Commissioner who serves on the Center's Board should not vote on any matter coming before the Commission which involves the Center. The proposed appointments will clarify the Commission's role and continue to provide direct Commission liaison with the Center's Board as well as allow Agency representatives to vote on matters considered by the Center.

Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens indicated he was pleased the Agency has found a workable solution to this problem which he would recommend to the Cultural Center's Board of Directors. However, he would like to discuss who the voting representatives will be before the final appointments are made.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of two Amendments to the Agency Personnel Policy which revises sections related to Personal Leave Days for new employees and timing of Salary Step Increases for employees following initial appointment and promotion. The revision to Section V.G.5. would entitle a permanent employee hired after July 1 to two personal leave days, rather than one, and to one personal leave day if hired on or after September 1 of that calendar year. This will pro-rate the three personal leave days of Agency employees more evenly. The revision to Section VII.b.2. provides that salary step increases shall be effective the next day following completion of required service rather than on the first of the pay period. These amendments, the cost of which is minimal, are a result of negotiations with Locals 790 and 21 and are proposed in order to maintain uniformity of basic personnel policies for all Agency staff.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (c), which requests authorization of an Owner Participation Agreement (OPA) with F.T.P. Investment Corporation for 2295 Bush Street, located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The developer has requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 104-91, WOULD BE CONTINUED TO THE MEETING OF MAY 7, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests adoption of the Subsidized Housing Preservation Implementation Plan and proposed budget. Preserving affordable housing which is at-risk of being converted to market rate has been an issue of increasing concern to San Francisco for the past several years and during the next ten years over 2,000 units could potentially prepay their HUD mortgages and lose their affordability restrictions, displacing many low-income residents. Because many of the units are located in Redevelopment Projects and the Agency has experience with the underlying subsidy programs, the Mayor's Office has requested the Agency to develop a strategy for preservation of the units which obviously must rely to a great extent on adequate federal response to the problem. In conjunction with the Subsidized Housing Preservation Group, staff has developed this plan which describes the proposed policy and activities of the Agency in preserving federally subsidized housing units at-risk of losing their affordability restrictions and establishes a five-year budget. The initial Draft Plan was distributed to a wide variety of interested organizations and individuals for comments and those comments have been included in the Draft Plan dated April 8, 1991. Pursuant to the Low Income Housing Preservation and Resident Homeownership Act of 1990, the federal government has set up a program which may provide significant protections to existing residents of the projects. The local strategy is designed to complement the federal program and to encourage resident participation in determining the future of their buildings to the greatest extent possible. The Agency is currently assisting three projects that have submitted the required notice of "Intent to Prepay" which is the first step in the process of either preservation of the units for a period of at least 50 years or possible prepayment of the mortgage and conversion to market rate. A draft plan circulated in February 1991 proposed the development of two preservation funds consisting of a predevelopment fund and a fund to pay capital costs associated with the purchase of a project that are not covered by other subsidies. Comments received urged that resident organizing be an eligible predevelopment expense and it is therefore proposed to create a third fund for this purpose. The proposed five year budget will finance these three funds and only those projects in

which the owner has submitted a Notice of Intent to prepay the mortgage would be eligible to receive assistance.

The following persons spoke in support of item (f): Anna Shul, Vista Del Monte Apartments; Essie Collins; Ace Washington, WAPAC; and Lois Scott, City Planning Department.

The Commissioners commended staff for their efforts in preparing the Plan.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), the purpose of which is to discuss the Design and Development of the Anglo Hotel Site located at the southeast corner of Sixth Street and Tehama Street in the South of Market Earthquake Recovery Redevelopment Project Area. The Agency has entered into a purchase option to buy this 8,000 square foot site for the purpose of replacing low-income single-room occupancy (SRO) housing destroyed in the October 1989 earthquake. Prior to its demolition, the hotel consisted of 168 SRO rooms in a five-story building, approximately 55 feet in height. Although the current height limit for the site is 40 feet, it may be rebuilt to 55 feet "as of right" under the regulations governing earthquake replacement properties. In addition, the developer will have access to favorable financing from the California Natural Disaster Assistance Program Rental Rehabilitation Loan Program (CALDAP), however, an application needs to be submitted within the next four to six weeks to be competitive for these funds. Because the Agency has identified a preference for using South of Market based non-profit developers in its housing efforts, staff discussed development of the site with TODCO who proposed building a 140-unit SRO building on the site. The proposed structure would have a height of 75 to 85 feet which exceeds the height of the former Anglo Hotel building and TODCO would have to get an exemption from the 55 foot height limit from the City's Emergency Earthquake Permit Committee. It is uncertain as this time whether such an exemption can be granted, but the Committee would be able to reach a decision within three weeks. If the height increase were granted, the project's development could proceed rapidly without a Redevelopment Plan change or rezoning. The previous owner had obtained a CALDAP fund reservation of \$3.875 million and it is estimated TODCO could obtain \$3 to \$4 million in CALDAP funds, however, TODCO must submit an application, including schematic drawings, by May 15 in order to have a strong chance of obtaining such funds. Staff is concerned because of time constraints for CALDAP funds which are the key source of financing. In addition, even if approvals for a taller building are expedited, staff has reservations regarding the height for the proposed building in relation to the immediate surrounding neighborhood.

John Elberling, TODCO, described the proposal for the site as outlined in TODCO's letter dated April 30, 1991 and Bob Herman,

Project Architect, presented the design concept. Edmund Ong, Agency Chief of Architecture presented the design proposed by Agency staff.

Mr. King left the meeting at this time, 7:30 p.m.

The following persons spoke regarding item (g): John Stewart; Paul Ward, City Planning Department; Tom Jones, Mayor's Office of Housing; Dino Di Donato, South of Market Problem Solving Council; and J.I. Wheelock.

Mr. Stewart gave information on changes in ground rules of the Tax Allocation Committee and indicated that a comprehensive application for this project would need to be submitted by July 8, 1991. There will be a need for a short-term gap loan plus a list of other funding sources.

Mr. Ward indicated that the City Planning Department has been working with TODCO and there is no objection to increasing the height limit to 80-85 feet.

Mr. Di Donato indicated he believes the Agency should take advantage of the opportunity to build an SRO and noted the importance of social services being an integral part of such a project.

Ms. Tsen requested Mr. Elberling look at the livability of the units, taking into consideration the number of units and the additional height of the proposed building, the population to be targetted, tenant profile, cost of a wood frame building as opposed to a non-wood frame building.

It was the consensus of the Commission that further discussion on this item be continued to the Adjourned Meeting to be held on May 2, 1991 at 5:30 p.m.

President Bagot indicated that the discussion on the Draft Economic Development Plan, listed under Commissioner' Questions and Matters on the agenda, would be continued to the Adjourned Meeting to be held on May 2, 1991 at 5:30 p.m.

(h) Mr. Helfeld introduced item (h), which requests authorization to award Contract Yerba Buena Theater 1 and Visual Arts Center 1 to Palm Iron and Bridge Works in an amount of \$2.893 million for fabrication and erection of structural steel and metal deck in Yerba Buena Center. It is requested this item be continued to an adjourned meeting on May 2, 1991 at 5:30 p.m.

President Bagot announced that item (h) would be continued to the Adjourned Meeting to be held on May 2, 1991 at 5:30 p.m.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's

real property negotiator. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments; and

bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

President Bagot announced that this meeting would be continued to May 2, 1991 at 5:30 p.m. at 770 Golden Gate Avenue for the purpose of considering several continued items.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:45 p.m.

RECONVENED

At this time and date the meeting reconvened to a Regular Session at 770 Golden Gate Avenue at 5:30 p.m., May 2, 1991, with the following roll call:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Gary Kitahata

and the following were absent:

Leroy King
Haig G. Mardikian

The President declared that a quorum was present.

Also present were: Jade Travers, North of Market Child Department Center and San Francisco Association for the Education of Young Children; David Tran, Tenderloin Youth Advocates; Sue Hestor, Friends of the Gardens; Kelly Cullen, Bay Area Women's Resource Center/Boniface Church; Bill Osterhaus, Board Member of the Center for the Arts at Yerba Buena Gardens; Dr. Eddie Welbon, New Bayview Committee; John Elberling, TODCO; Bob Herman, Architect; Sam Aaron Williams, California Minority Vendor's Bank; Kevin Williams, New Bayview Committee; Ace Washington, WAPAC; Samuel Murray, New Bayview Committee; Orelia Langston; Essie Collins; Stephen Schwartz and Wes Ball, Palm Iron and Bridge Works; Edward Gallaread, New Bayview Committee; Karen Fischer, Center for the Arts at Yerba Buena Gardens; and Owen Miller.

REPORT OF THE PRESIDENT

- (a) President Bagot reported that the Agency received an award from Agency supported service providers to celebrate the placement of 1,000 jobs.
- (b) At the April 30, 1991 meeting, the Agency adopted a very progressive housing policy known as the Subsidized Housing Preservation Implementation Plan.
- (c) With regard to Yerba Buena Center, today the Agency received a check from Olympia & York which means the project can now proceed.

President Bagot commended staff for their efforts in housing, economic development and the Yerba Buena Center project, and, in particular, Mr. Helfeld for his leadership on those issues.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The Mayor held a Press Conference today at the Moscone Convention Center and was handed a check for \$11.1 from Olympia & York which provides the Agency with a financing mechanism to proceed with the entire Yerba Buena Project. In this regard there will be a

celebration event on May 3 at 10:30 a.m. at the Moscone Convention Center.

- (b) The Commissioners have been provided with a letter from the City's Office of the Controller, Audits Division, advising that they will be conducting a Performance Audit of the Agency.
- (c) Gene Suttle, Senior Deputy Executive Director, indicated that on April 9, 1991 a contract was awarded to National Economic Research Associates to determine whether there is a legal predicate for re-establishing MBE/WBE goals. In accordance with the Commission's policy to hold meetings in neighborhoods, it is proposed that the June 4, 1991 meeting be held at the Southeast Community College Facility in Hunters Point. At that meeting there will be a Public Hearing to hear from minority contractors and sub-contractors who have experienced discrimination. It is proposed that the meeting start at 4:00 p.m. to consider the regular agenda and be recessed at approximately 5:30 p.m. It would reconvene at 6:00 p.m. for the Public Hearing for the purpose of obtaining evidence of discrimination.

It was the consensus of the Commission that the community at-large be notified of the hearing.

NEW BUSINESS

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue \$30 million in Tax-Exempt Short-Term Notes to be used for construction of public improvements on Central Blocks 2 and 3 in Yerba Buena Center. Discussions have been held with the Mayor's Budget Director which resulted in a decision to use a different mechanism to provide shortfall funds. It is therefore requested this item be tabled.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 101-91, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The real property is Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity with whom the Agency may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Ms. Tseng, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:55 p.m.

RECONVENED

At this time the meeting reconvened to the Regular Session, 6:58 p.m., with the same roll call.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a contract with Friends of the Gardens for the development of Central Block 3 in Yerba Buena Center.

Mr. Helfeld indicated that this is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that the necessity to take action on this off-agenda item arose after posting of the agenda on April 26, 1991.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 26, 1991.

The Friends will provide the Agency with community outreach, support, and on-going community advice during the design and construction of facilities on CB-3 and, in exchange, the Agency will commit to Friends that it will construct the children's uses. This agreement will embody the Commission's commitment to include: an ice rink, childcare, a carousel, child's place and children's garden. The Agency pledges the use of funds from: refinancing of the 1988 Moscone Lease Revenue Bond financing, the CB-3 financing enhancement mechanism, and if these are not available, the sale of the EB-2 parcels. The Agreement will also specify the time for development which in no event will be later than December 31, 1995. It also will provide the Friends the ability to seek recourse against the Agency, provided that funds are available, in the event the Agency does not proceed. A formal contract will be calendared for Commission consideration at a future date.

The following persons spoke regarding item (a): Jade Travers, North of Market Child Department Center and San Francisco Association for the Education of Young Children; David Tran, Tenderloin Youth Advocates; Sue Hestor, Friends of the Gardens; and Kelly Cullen, Bay Area Women's Resource Center/Boniface Church.

A number of the speakers requested top priority be given to children's activities.

Ms. Tsen suggested that the Commission adopt a policy as per staff memorandum and that Agency General Counsel be instructed to prepare a legally binding contract for Commission consideration.

Mr. Helfeld indicated that the contract will take approximately three weeks to prepare.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-91, AS AMENDED, BE
ADOPTED.

NEW BUSINESS (Continued)

- (h) Mr. Helfeld introduced item (h), which requests authorization to award Contract Yerba Buena Theater 1 and Visual Arts Center 1 to Palm Iron and Bridge Works in an amount of \$2.893 million for fabrication and erection of structural steel and metal deck in the Yerba Buena Center. Following extensive advertising, six bids were submitted ranging from \$4.545 million to \$2.893 million from Palm Iron and Bridge Works, the lowest responsible bidder. The Engineer's estimate is \$2.901 million. Palm Iron and Bridge Works is a well established steel fabrication firm located in Sacramento with a good reputation among the general contractors contacted by staff. The firm's affirmative action program has been reviewed by staff and found acceptable. Funds for this contract are available from payments from Olympia & York for the purchase of the Central Block 1 Office Building. The remainder of improvements on these two cultural buildings will be constructed under another general contract expected to be awarded in late June 1991. Award at this time allows the major construction on the Agency's buildings to take place before the scheduled opening of the Moscone Convention Center expansion in June 1992 thereby avoiding costly construction delays to accommodate Convention Center operations. The award will initiate construction of the Yerba Buena Gardens which has been in planning for ten years.

The following persons spoke regarding item (h): Bill Osterhaus, Board Member of the Center for the Arts at Yerba Buena Gardens; and Dr. Eddie Welbon, New Bayview Committee.

Mr. Osterhaus, on behalf of the Cultural Board, thanked the Commissioners and staff for their efforts in moving the project forward.

Dr. Welbon requested a copy of Palm Iron & Bridge Works' affirmative action program, which Mr. Helfeld indicated would be provided.

Mr. Helfeld introduced representatives of Palm Iron & Bridge Works.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA,
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which is a workshop on the Design and Development of the Anglo Hotel Site in the South of Market Earthquake Recovery Redevelopment Project Area.

John Elberling, TODCO, provided further information on the proposal as requested by Ms. Tsen with regard to: livability of the units; additional height of the proposed building; the

population to be targetted; tenant profile; and cost of a wood-frame building vs. a non wood-frame building.

Bob Herman, Project Architect, presented the revised design concept.

The following persons spoke regarding item (g): Sam Aaron Williams, California Minority Vendor's Bank; and Dr. Eddie Welbon, New Bayview Committee.

In response to concerns expressed by the speakers, Mr. Helfeld indicated the developer will be subject to the usual Agency affirmative action requirements; however, the project is presently only in the planning stages.

Ms. Tsen indicated advantage should be taken of having as many units as possible without sacrificing livability which needs to be looked at during the schematic phase.

Ms. Bolanos left the meeting at this time, 7:30 p.m.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for a discussion on the Draft Economic Development Implementation Plan. The Commissioners have been provided with an informational memorandum regarding the Economic Development Implementation Program and the reasons for proposing that the San Francisco Development Bank (Bank) operate as a separate entity. The memorandum summarizes proposed revisions to the composition and authority of the Board of Directors of the Bank, identifies the benefits of the Bank, and outlines a process for appointing community representatives to the Citizens Advisory Committee which would make recommendations to the Board of Directors. Under these revisions, the entire Agency Commission would serve as the Board of Directors of the Bank and would have ultimate decision-making authority in the expenditure of funds encumbered for economic development.

The following persons spoke regarding item (a): Sam Aaron Williams, California Minority Vendor's Bank; Kevin Williams, New Bayview Committee; Samuel Murray, New Bayview Committee; Ace Washington, WAPAC; Dr. Eddie Welbon, New Bayview Committee; Orelia Langston; and Essie Collins.

Several speakers noted their concern regarding: being kept waiting during the lengthy Closed Session; lack of notice of the Economic Development discussion and it being the last item on the agenda; that the Commissioners were discussing a document that has not been distributed to the public; and a positive program needs to be worked out for the African-American community.

Minutes of a Regular Meeting, April 30, 1991 and
Adjourned Meeting, May 2, 1991

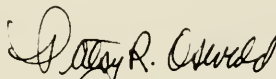
President Bagot indicated the agenda item today is for discussion purposes only and will not change the process. At the May 14 Agency meeting a workshop will be held for public comment.

It was the consensus of the Commission that the Draft Economic Development Implementation Plan be distributed to the community at-large together with an executive summary.

AJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:40 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

June 4, 1991

SF
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5/7/91

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF MAY, 1991

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of May, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Gary G. Mardikian

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and the following was absent:

Sonia Bolanos
Gary Kitahata (Arrived 4:45 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Mary Lou Goeke and Merle Malakoff, Catholic Charities; Martin Fay, CAC/South Beach Marina Apartments; Sarah Hallem, CAC/South Beach; Scott Hepper, Bayside Village; Rick Mariano, Chairman, Rincon Point-South Beach Citizen Advisory Committee; Vincent Marsh, Secretary to the Landmarks Preservation Board/Department of City Planning; Rob Cole, A.I.A./San Francisco Preservation Committee; Mark Ryser and Lauren Bricker, Foundation for San Francisco's Architectural Heritage; Enid Ng Lim, Chinese Historical Society and Landmarks Preservation Board; Michael Crowe, President, Landmarks Preservation Board; Jean Kortum, Landmarks Preservation Board; Patrick McGrew; Anne Bloomfield, Victorian Alliance and Landmarks Preservation Board; Gee Gee Platt; Henry Lambert, Robert Fisher, and Bob Meyer, Reliance Development Group.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of March 26, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of April 2, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of April 9, 1991, as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, May 7, 1991

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 8, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 14, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 5, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 22, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 29, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of February 12, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsien, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of February 26, 1991, as distributed by mail to the Commissioners, be approved.

President Bagot referred to the April 9, 1991 minutes and inquired concerning a suggestion by City Planning Commissioner Morales regarding the Agency making it a requirement that commercial office space adhere to the City's housing and other exactions and Mr. Helfeld indicated that this is included in the Rincon Point-South Beach Plan Amendment and Commissioner Morales has been so advised.

In response to an inquiry from President Bagot, Bill Rumpf, Chief, Housing and Production Management, indicated that the Northridge Co-op Apartments are trying to get HUD approval of a management agent.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) The Mayor will be holding a Press conference on May 9, 1991 at 11:00 a.m. to announce the formation of the Task Force that will make recommendations to the Redevelopment Agency on Economic Development for Chinatown. The event will be held at 777 Broadway at Stockton at the New Bayview Senior Housing Community Room.
- (b) The Agency meeting of May 14, 1991 will be held in the Auditorium of the Governor G. "Pat" Brown Building at 505 Van Ness Avenue starting at 4:00 p.m. The meeting is being held at this location to accommodate those who may wish to attend the Workshop on the

revised Policy Statement on Economic Development and the Economic Development Expenditure Plan.

- (c) It has been requested that item 5 (a) regarding the Owner Participation Agreement with FTP Investment Corporation for the property located at the southeast corner of Bush and Steiner Streets be continued.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Owner Participation Agreement (OPA) with F.T.P. Investment Corporation for 2295 Bush Street, located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. It is recommended this item be continued at the request of a Commissioner.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 104-91, WOULD BE CONTINUED TO THE MEETING OF MAY 14, 1991 AT THE REQUEST OF A COMMISSIONER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a \$300,000 Grant to Catholic Charities (Sponsor) of the Archdiocese of San Francisco for completion of the rehabilitation of Phoenix House located at 1601 Quesada Street as part of the Citywide Tax Increment Housing Program. Catholic Charities is presently rehabilitating this building, which will accommodate 30 persons, to provide housing for pregnant women addicted to crack and their dependent children. Rent for each household will be \$158 per month. The site was purchased with assistance from the Mayor's Office of Housing and rehabilitation is being accomplished with privately raised funds. The project has received a \$2.5 million federal grant that will cover most of the operating expenses of the program. The \$300,000, which is being requested because of increase rehabilitation costs and a shortfall in private fundraising, will ensure completion of rehabilitation without interruption. The TIHP Committee has approved the grant on condition that any funds raised by the Sponsor that are in excess of total project costs be credited back to the City as a partial repayment of the City's acquisition loan. As part of the approval process, the Commission must determine that the project is consistent with the Agency's Mission Statement.

President Bagot indicated that though there is not a conflict of interest, because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit Agency he works for, he would refrain from discussing or voting on this item.

At this time President Bagot turned the Chair over to Ms. Tsien, 4:25 p.m.

Mary Lou Goeke and Merle Malakoff, Catholic Charities, requested approval of item (a).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-91 BE ADOPTED.

At this time Ms. Tsen turned the Chair back to President Bagot, 4:33 p.m.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Foreclosure Action in San Francisco Superior Court to recover Special Tax on Parcel 3793-1 (Site L) Community Facilities District No. 1 (District), South Beach, in connection with Rincon Point-South Beach. The Commission formed the District in August 1988 and authorized the levy of a special tax within the District pursuant to the Mello-Roos Community Facilities Act of 1982. The special tax is assessed on parcels to pay for certain public improvements within the District. The owners of this parcel, Embarcadero Vista, have failed to pay the special tax, the first installment of which in an amount of \$42,587.27 became delinquent on December 11, 1990 and the Agency is obligated by its bondholders to commence a foreclosure action in Superior Court. This must occur by May 10, 1991 to meet the requirement of commencing action within 150 days of the delinquency. In addition, the owners have not paid property taxes due. All costs of the foreclosure action will be added to the tax due. It became necessary to sue for payment of the special tax last year, however, all costs and penalties were received without the need to foreclose.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which is a workshop to provide the Commission with information and community input on the Reliance Development Group's proposed project for Sites I-1, the Oriental Warehouse, and I-3 in Rincon Point-South Beach. It is proposed to construct 422 condominiums in three mid-rise buildings and develop approximately 34,000 sq. ft. of commercial space consisting of: 5,000 sq. ft. of neighborhood commercial in a residential building; 29,000 sq. ft. on two floors of the Oriental Warehouse, 4,000 sq. ft. of which is for a proposed restaurant; and 438 parking spaces. The total project development cost is estimated at \$100.5 million, which includes preservation of the Oriental Warehouse at a cost of \$8.956 million. The Agency-owned Parcel 12, valued at \$2.5 million, adjoins the Oriental Warehouse and the Agency may be willing to contribute that parcel towards the cost of preserving the Oriental Warehouse. The after value of the project based on projected condominium sales is \$109.8 million. The annual tax increment after sale of the condominiums would be \$1.02 million. Following consideration of staff reports and hearing public testimony, staff recommends entering into a Land Disposition Agreement (LDA) and an Owner Participation Agreement (OPA) on the basis of the developer paying a fee of \$3.150 million in lieu of providing affordable housing on-site. Two payments would be made, the first in an amount of

\$1.6 million at the start of construction and the second payment of \$1.550 million would be made 36 months after start of construction or after 75 percent of the condominiums are sold, whichever comes first. In addition, and contrary to the recommendations of the Director of City Planning, staff recommends that the developer be permitted to construct two tennis courts on the roof of the Oriental Warehouse. Also, in the one third portion of the Warehouse being preserved that the developer need not give preference for cultural re-use. Any agreement between the Agency the Reliance Group is contingent on approval of proposed Amendments to the Redevelopment Plan and Design for Development which are currently scheduled for action by the Agency in mid-May and by the City Planning Commission and the Board of Supervisors in mid-June 1991.

Mr. Kitahata arrived at this time, 4:45 p.m.

Henry Lambert, Reliance Development, and Robert Fisher, Project Architect, made presentations on the project and the design concept.

The following persons spoke regarding item (c): Martin Fay, CAC/South Beach Marina Apartments; Sarah Hallam, CAC/South Beach; Scott Hepper, Bayside Village; Rick Mariano, Chairman, Rincon Point-South Beach Citizen Advisory Committee; Vincent Marsh, Secretary to the Landmarks Preservation Board/Department of City Planning; Rob Cole, A.I.A./San Francisco Preservation Committee; Mark Ryser and Lauren Bricker, Foundation for San Francisco's Architectural Heritage; Enid Ng Lim, Chinese Historical Society and Landmarks Preservation Board; Michael Crowe, President, Landmarks Preservation Board; Jean Kortum, Landmarks Preservation Board; Patrick McGrew; Anne Bloomfield, Victorian Alliance and Landmarks Preservation Board; Gee Gee Platt; and Bob Myers, Planning Consultant, Reliance Development Group.

Ms. Bricker made a slide presentation on the Oriental Warehouse and surrounding area.

Mr. Fay, Ms. Hallam, Mr. Hepper and Mr. Mariano spoke in support of the Reliance Development Group's proposal.

The speakers noted their concerns regarding the Oriental Warehouse: insufficient preservation which would set a precedent for other historical landmarks; there needing to be as few exterior changes as possible; and that it is proposed to have tennis courts on the roof which is not acceptable as the roof should be preserved in its entirety.

Commissioner Tsen noted that she was troubled by the conflict between affordability and historic preservation. The Agency is contributing \$9 million towards preservation which would pay for 200 affordable housing units. More discussion is needed before a decision is made.

Mr. Mardikjan noted that the building needs to be used in a way that makes sense today. Though parking is not the most exciting use, it does keep the building open.

President Bagot indicated he would like to see less preservation and more affordable housing units.

Mr. Helfeld indicated that staff is trying to strike a balance between housing and preservation and will review comments by the Commissioners and the public to see if there is any alternative to that already proposed.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend Resolution No. 55-91, adopted February 26, 1991, which authorized the Executive Director to execute certain agreements and other documents related to the Marriott Hotel Parcel in Yerba Buena Center, to authorize Agency General Counsel to execute any and all such documents should the Executive Director be unavailable to do so. The closing of the financing transaction is scheduled to take place in New York City on May 14 and 15, 1991. Because of Agency business, the Executive Director will be unable to attend the closing and Agency General Counsel will attend in his place.

David Madway, Agency General Counsel, indicated that this is not an agenda item, and in accordance with Brown Act regulations, a determination needs to be made by the Commission that a necessity to act on this off-agenda item arose after posting of the agenda on May 3, 1991.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING ON THE AGENDA ON MAY 3, 1991.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot regarding a rental at 1866 Turk Street, Mr. Helfeld indicated the Commissioners will be provided with a written report.
- (b) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a meeting regarding the Mexican Museum will be arranged with Supervisor Gonzales when Ms. Bolanos returns from vacation.
- (c) In response to an inquiry from President Bagot regarding Parcel C in Rincon Point-South Beach, Mr. Helfeld indicated that the price Caltrans is asking is considered excessive and a second appraisal is being arranged.

- (d) President Bagot requested the Agency calendar a discussion on a position on the appropriation levels in the 1991 National Housing Act.
- (e) In response to an inquiry from President Bagot, Mr. Helfeld indicated that the Bushmoor Associates' project was approved long before implementation of the Inclusionary Housing Policy.
- (f) President Bagot inquired regarding the total cost for the Third Street Corridor study and Mr. Helfeld indicated staff will report back.

President Bagot announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments; and

blocks bounded by Steuart, Spear and Folsom Streets in Rincon Point-South Beach with Caltrans.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are two additional Closed Session items which arose subsequent to the posting of the agenda on Friday, May 3, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MAY 3, 1991.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

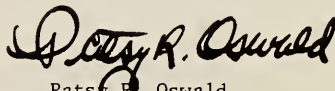
southeast corner of Bush and Steiner Streets in the Western Addition A-2 with FTP Investment Corporation; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to six Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

May 28, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MAY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Auditorium of the Governor Edmund G. "Pat" Brown Building, 505 Van Ness Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th of May, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Gary Kitahata
Leroy King
Haig G. Mardikian

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and the following was absent:

Sonia Bolanos (arrived 4:55 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: James D. Jefferson, San Francisco Black Chamber of Commerce; Sam Murray, President, New Bayview Committee; Geraldine Johnson, Black Trade Unionists; George Mix, Jr., Urban League of San Francisco and WACCO (Western Addition Concerned Citizens Organization); Chuck Collins, Western Development Corp; Rev. Amos C. Brown, San Francisco Religious Council; Jim Mayo, NAACP; Lewis Clinton, Investment Banker, Jefferson Company; Ace Washington; Randall Evans, Community Activist; Morris James, President, Western Addition Youth Council; Eric Abdullateef, MEDA; Jim Mangia, Peace and Freedom Party; Jeff Mori, Executive Director, Japanese Community Youth Council; Harold McCoy, Bayview Merchants Association; Louise Vaughn, Community Grandparents Who Care; Sharon Hearon; Samuel Williams, California Minority Vendors Bank; Rev. Tim Dupre, Booker T. Washington Council; Maurice James, Postal Street Academy; Tekle Menelik, Income Rights Project; Kevin Williams, chairman, Economic Development Committee of the New Bayview Committee; Harold B. Brooks, Jr., New Bayview Community and Bayview Association of Community Organizations, Inc.; Muhammad Al-Kareem, Bayview Merchants Association; Dr. Eddie C. Welbon, SF Pastor Council; Larry Ukali Johnson-Redd, OMI-PPC; Espanola Jackson, Dist. 7 Democratic Club; Lefty Gordon, Ella Hill Hutch Community Center. Attached to these minutes is a copy of the entire guest list.

Representing the press was: Gerald Adams, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Owner Participation Agreement (OPA) with F.T.P.

Investment Corporation for 2295 Bush Street located at the southwest corner of Bush and Steiner Streets in the Western Addition A-2. The Developer has requested this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 104-91, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an expenditure of \$25,000 to the Yerba Buena Gardens Marketing Alliance for Marketing Services for the project; Yerba Buena Center.
- (b) Authorizing exclusive negotiations with Tenants and Owners Development Corporation for the development of affordable housing at Assessor's Block 3732, Lot 78, located at the southeast corner of Sixth Street and Tehama Street; South of Market Earthquake Recovery Redevelopment Project Area.
- (c) Granting an additional designated period of two years additional PERS Service credit.
- (d) Authorizing Amendment to the Agency's Annual Salary Resolution No. 165-90.
- (e) Authorizing support of Senate Bill 1026, with Amendments, authorizing expenditure of Redevelopment Funds for Homeless Shelters and Transitional Housing.
- (f) Supporting appropriation of the full amount of funding authorized under the Cranston-Gonzalez National Affordable Housing Act.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (f), RESOLUTION NUMBERS 112-91, 113-91, 114-91, 115-91, 116-91 AND 117-91 BE ADOPTED.

NEW BUSINESS- REGULAR AGENDA

- (g) Mr. Helfeld introduced item (g), which is a workshop on the revised Policy Statement on Economic Development and the Economic Development Program Implementation Plan. The Commissioners have received the second draft of the Economic Development Program Implementation Plan, the revised Economic Development Mission Statement and the Informational Memorandum of April 12 which summarizes the Economic Development Program. These items were also sent to members of the public, along

with a notice of the May 14 workshop and a list of the most frequently asked questions (with responses) about the Economic Development Program. Comments received from the May 14 workshop will be incorporated into the final Economic Development Program Implementation Plan.

Mr. Helfeld made the following points regarding the economic development issues in the African American Community: All revisions to the statement need to be made by May 28, 1991; the \$5 million earmarked for Hunters Point, South Bayshore and the Western Addition has not been allocated to any other undertaking; The Agency staff was pursuing the goals and objectives in business development and job generation with those funds. The following is a summary of the status of use of these funds: One source of funds for this project comes from tax increment dollars. By state law, these funds can only be spent in the project area from which these funds came. Thus, \$2 million dollars of the \$5 million was generated from the Western Addition and has to be spent on economic development in that area. The only exception of the expenditure of increment funds is in the case of low or moderate income housing needs anywhere in the city. The other source of revenue available to the Agency is program income that can be spent to benefit low income people anywhere in the City. Since the entire South Bayshore area is not a designated redevelopment area, tax increment funds were taken from Hunters Point/India Basin, so the only way to spend those funds in this area is to substitute program income funds from somewhere else. Of the \$5 million budgeted \$3.7 million remains. \$770,000 has been committed to the Cala supermarket. \$500,000 was set aside for the Western Addition revolving loan fund. \$41,000 was allocated to the Mayor's Office of Business and Economic Development to administer and service the loan. \$3,722,000 remains, with substantial funds for the Western Addition, and only \$280,000 in program funds remaining in Hunter's Point/India Basin. However, with the substitution of tax increment funds, it appears that approximately \$1,000,000 will be available for Hunter's Point/India Basin.

Ms. Bolanos arrived at 4:55 p.m. during the speaker presentations.

The following persons spoke regarding item (g): James D. Jefferson, San Francisco Black Chamber of Commerce; Sam Murray, President, New Bayview Committee; Geraldine Johnson, Black Trade Unionists; George Mix, Jr., Urban League of San Francisco and WACCO (Western Addition Concerned Citizens Organization); Chuck Collins, Western Development Corp; Rev. Amos C. Brown, San Francisco Religious Council; Jim Mayor, NAACP; Lewis Clinton, Investment Banker, Jefferson Company; Ace Washington; Randall Evans, community activist; Morris James, President, Western Addition Youth Council; Eric Abdullateef, MEDA; Jim Mangia, Peace and Freedom Party; Jeff Mori, Executive Director, Japanese Community Youth Council; Harold McCoy, Bayview Merchants Association; Louise Vaughn, Community Grandparents Who Care; Sharon Hearon; Samuel Williams, California Minority

Vendors Bank; Rev. Tim Dupre, Booker T. Washington Council; Maurice James, Postal Street Academy; Tekle Menelik, Income Rights Project; Kevin Williams, chairman, Economic Development Committee of the New Bayview Committee; Harold B. Brooks, Jr., New Bayview Community and Bayview Association of Community Organizations, Inc.; Muhammad Al-Kareem, Bayview Merchants Association; Dr. Eddie C. Welborn, San Francisco Pastor Council; Randall Evans, Community Activist; Larry Ukali Johnson-Redd, OMI-PPC; Espanola Jackson, Dist. 7 Democratic Club; and Lefty Gordon, Ella Hill Hutch Community Center.

Some of the speakers' concerns were: the Agency is taking too long to redevelop African-American communities in San Francisco; the African-American communities had not benefitted from past redevelopment efforts; litigation was threatened and non-violent pickets of the Agency if plans to implement the current proposal are initiated; \$5 million for two areas is not enough; there has been no input from the communities involved; the Agency is discriminating against African-Americans; resent that funding is going to non-Black businesses that were not in redevelopment areas when the same would not be done for African-American communities; a need for a all-Black task force to study and make decisions regarding economic development.

President Bagot thanked all present for their participation and indicated the concerns expressed will be communicated to the Mayor's Office who will be making Advisory Committee appointments. He indicated that the Commission has already taken too long on acting on the issue of economic development in the African-American areas of San Francisco and the Plan will be before the Commission for adoption in the near future. He reasserted his belief in affirmative action and the need to provide more assistance to the Black community, however, he did feel there has been progress in this regard and the current plan reflects many of the concerns expressed by the speakers. He indicated the Commission will consider some of the points made in the testimony in an effort to revise the existing plan appropriately.

Ms. Tsen noted her support of the creation of a community task force to work with the Advisory Committee. She indicated that the current plan has had significant community input which is why action has been delayed. She emphasized that the Commission has a special commitment to the Western Addition and Hunters Point areas due to the lost promises of urban renewal programs of the 1960's.

Ms. Bolanos commended staff for their efforts in devising the current plan which reflects a beginning in addressing the needs of the African-American communities.

Mr. King thanked the speakers for coming to comment on the proposed Economic Development Plan. He noted his understanding of the frustration felt by the African-American community due to the lack of progress in this area for the past three years.

Mr. Helfeld indicated that during the next two weeks staff will review the recommendations made by the community and endeavor to incorporate them in the revised document. He noted his support of the idea of a community task force and that it is hoped to get clarification regarding the use of tax increment and program funds. He emphasized that the best method to achieve African American business enterprise is to make an aggressive effort at affirmative outreach to this community.

At this time President Bagot turned the Chair over to Ms. Tsen, 7:34 p.m.

President Bagot and Mr. King left the meeting at this time, 7:35 p.m.

Thomas Conrad, Chief, Planning and Programming, introduced items (h) through (k), which all relate to the Amendment to the Rincon Point-South Beach Redevelopment Plan.

- (h) Requests authorization to transmit the proposed amendment to the Board of Supervisors and requests the Board's consent to conduct a Joint Public Hearing on the proposed Plan Amendment.
- (i) Requests authorization to transmit the proposed Plan Amendment to the City Planning Commission for its report and recommendation.
- (j) Requests approval of the Addendum to the Report on the Redevelopment Plan and authorizes its transmittal to the Board of Supervisors.
- (k) Requests approval of the proposed Plan Amendment to the Design for Development and authorizes transmittal of same to the City Planning Commission for its consideration.

The original Redevelopment Plan for Rincon Point-South Beach was adopted in 1981 by the Board of Supervisors and was amended once in 1984. The Design for Development document was originally approved in 1980 by the Redevelopment Agency and City Planning Commissions, and has been amended three times by the Agency Commission and City Planning Commission. A second amendment to the Redevelopment Plan, proposed by Agency staff, necessitates an amendment to the accompanying Design for Development document. These amendments will provide greater flexibility in responding to changing conditions within the Rincon Point-South Beach Redevelopment Project Area. The reason for amending the Redevelopment Plan would be to permit residential as alternate uses, which would increase the potential for the development of housing, particularly affordable housing. It would also permit commercial office space as an alternate use to enhance economic development in the project area by retaining and creating local jobs within the City and allows the Agency to impose fees, conditions and exactions to commercial office developers to help defray cost of increased local services. Additionally, the amendment would

include the Agency's Housing Participation Policy within the Redevelopment Plan, which will facilitate the fulfillment of the affordable housing goals and will help in the citywide efforts to develop affordable housing.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED RESOLUTION NO. 118-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-91 BE ADOPTED.

Mr. King returned to the meeting at this time, 7:40 p.m.

- (1) Mr. Helfeld introduced item (1) which requests authorization to request the Board of Supervisors to amend Resolution 141-77, adopted February 28, 1977, designating the Northeastern Waterfront Survey Area for the purpose of adding 3,446 square feet of Lot 24, Assessor Block 3741, bounded by the easterly line of the existing Embarcadero Freeway right-of-way (between Spear and Steuart streets) and the existing boundary of the Rincon Point Subarea within the Rincon Point-South Beach Project Area (Resolution 122-91). The resolution it is proposed to amend designated the Northeastern Waterfront from Broadway to China Basin as a survey area to determine the feasibility of improvement through redevelopment or similar activities. This survey, which was jointly undertaken by the Agency and City Planning, resulted in the selection of the Rincon Point-South Beach Project Area. The reason it is proposed to add this portion of Lot 24 to Parcel C-1 is to facilitate a more regular and complete development approach on ---this oddly shaped parcel. This portion of Lot 24 was not included within the survey area because at that time it was a part of the Embarcadero right-of-way. This request to the Board of Supervisors begins the process for amending the Redevelopment Plan.

President Bagot returned to the meeting at this time, 7:45 p.m. and resumed the Chair.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On May 17, 1991 from 1:00 - 3:00 p.m., at 1800 Oakdale Avenue, there will be a Workshop on Employment Opportunities and Job Training Program for the new Cala supermarket in Bayview/Hunters Point. The workshop is jointly sponsored by the Redevelopment Agency, the Mayor's Office of Business and Economic Development, Private Industry Council, New Bayview Committee, Young Community Developers and Cala Foods, Inc.
- (b) On May 18 from 10:00 a.m. to 1:00 p.m. at 1426 Fillmore, there will be a Seminar on Commercial Spaces Available at the Fillmore Center and Funding Sources Available to Qualified Applicants, sponsored by Urban Economic Development Corporation and Fillmore Center Associates.
- (c) On May 6, the Agency received two full proposals for the operation of the Children's Place on Central Block 3 - one from Moore, Iacafone and Goltsman/Play and Learning in Adaptable Environments (MIG/PLAE) Inc. and one from the Center for the Arts at Yerba Buena Gardens. Interviews are scheduled for May 23.
- (d) The Commissioners have been provided with a proposed mechanism for payment of the South Beach Harbor debt.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot about TODCO's letter regarding the Coca-Cola site at Mission and South Van Ness, Mr. Helfeld indicated he would investigate and report back to the Commission.
- (b) In response to an inquiry from President Bagot regarding Cottage Row located between Sutter and Bush Streets, Mr. Suttle reported that he is working with the Landmarks Preservation Board on its designation as an historic place and would report back to the Commission.
- (c) President Bagot requested that staff reply to a letter to Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens, from the San Francisco Democratic Club, in which concern was expressed that the monies scheduled to build the Cultural Center at Yerba Buena Center may be diverted to other uses.

President Bagot announced that there would be seven Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Minutes of a Regular Meeting, May 14, 1991

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties I; and

southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point with Summit Partners; and

southwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Company; and

northeast corner of Eddy and Fillmore Streets in the Western Addition A-2 with Fillmore Renaissance Associates and Western Commercial Partnership II.

President Bagot announced that there are two additional Closed Sessions which arose subsequent to posting of the Agenda on Friday, May 10, 1991. Pursuant to Government Code Section 54954.2 (b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON MAY 10, 1991.

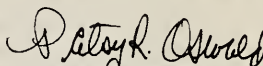
The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at 135 Sixth Street (Sunnyside Hotel) in the South of Market and the entity the Agency may negotiate with is Tenderloin Housing Clinic.

The second item is pursuant to Government Code Section 54956.9(b) on the subject of potential litigation.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to eight Closed Sessions on Real Property Negotiations and a Closed Session on potential litigation. The meeting adjourned at 8:03 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

June 18, 1991

GUEST REGISTER

HELD AT THE GOVERNOR EDMUND G. BROWN BUILDING, 505 VAN NESS AVENUE

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

MAY 14, 1991

NAME (PLEASE PRINT)

REPRESENTING

Test Lythgoe
Jay Darmari
Rev. M. H. Williams
Daphne Griffin
JAMES D. Jefferson
Sam Murray
Ceraldine Johnson
George Mix, Jr
Chuck Collins
Rev. Amos C. Brown
Jim Mayo
Lewis Clinton
Adrian Marshall
Chadwick Roberts
Carla Rogers
Milton C. Kelly
GLENN W. HOLSTEIN
THOMAS N. BROWN
Torrey Anders

Asian, Inc.
"
B. H. C.
H. E. W.
Black Chamber of Commerce
New Bayview Committee
Black Trade Unionist
Urban League SF
Western Development Corp
SF Religious Council
NAACP
Jefferson Company
YCB
YCB
YCB
Self
YOUNG COMPANY
AFRICAN STUDIES CENTER
Self

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

GUEST REGISTER

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

NAME (PLEASE PRINT) -

REPRESENTING

ACE Washington

WAPAC

Monique H. Michael

SELF

John A. M. King

Bayview Merchants

Eric Abdullah

MEDA

Michael Carter

NFL Player's Assoc.

Robert Hester

Hester Construction

Willie Bell McDowell

WHGS YOUTH INC.

Esperanza Jackson

Dist. 17 Demo Club

Raymond Escobedo

The Liberation House

Jim Mangia

Peace + Freedom Party

Jon Carr

Con's HandyMAN SERVICE

Wilbur C. Mills

Self

Wilbert Chambers

Self

Frank L. Smith

Self

Caesar A. Churchwell

BMA

Gasper Brown

Candidate's Paper Shop

Rhody McCoy

Future Perfect Inc.

K. Lewis

Asian, Inc.

Louise Vaughn

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

GUEST REGISTER

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

NAME (PLEASE PRINT)

REPRESENTING

~~Jim Dyer~~
 Jim Dyer
 Grella Langston
 Ruth A. Newson
~~J. M. J.~~
~~John M. J.~~
~~John M. J.~~
 Rev. Martin F. Grizzell
 Jonathan Williams
 Bill Taylor
 Jerome Thomas
 Duncan Wiley
 REV. C. C. CALVIN
 Mignon Mc Aug.
 Raymond J. Collins Jr.
 FANK WHITE
 MARY RATCLIFF
 DORIS THOMAS

~~Rep. S. J.~~
 CDC
 WACCO
 Fillmore Merchants
 NACT
 NOI
 S. F. Religious Council
~~Cal. Minority Union~~
 ONI - NIA
 Ella Hill Hutch
 BMA
 Pastors Council
 Scty. - Med Sites Co.
 Orsco Design
 E. H. W. H. F. CO.
 LAW OFFICES
 Leon Reed

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

GUEST REGISTER

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

NAME (PLEASE PRINT)

REPRESENTING

~~John Henry~~
~~1542 W 5th St~~
 Raymond Martin
 Louis Wright
 Edward Stewart
 Carlton Cee
 Jeffrey W. Shaw
 Derrick Dixon
 Leo Washington
 Reggie Dupre
 Maurice James
 Reinhold H. Long
 TEKLE MENELIK
 Kevin Williams
 Harold Brinkley
 MUHAMMAD AL-KASSAB
 Larry Chien
 Melvin Reid
 Rev. Cindy Allen

TRP
 YCP
 YCD
 YCP
 ASIAN INC.
 Fillmore Center
 " "
 " "
 Booker T
 Postal Street Academy
 BHPEC
 INCOME RIGHTS PROJECT
 New Bayview
 Bayview Ninten Point
 NEW BAYVIEW NEWSPAPER
 OMICA
 Ella Hill Hutch
 S F Christian Center

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

GUEST REGISTER

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

NAME (PLEASE PRINT)

REPRESENTING

Michael Steingack

UEDC

SIDNEY A MARTIN

WAR

RAFTG IVADI

Kid's + Chocolate Inc.

ALLEN Davidson

Kids + Chocolate Inc.

Dr. Edric C. Wells

D. Evans

ARNOLD G. TOWALSON

Larry Ukali Johnson-Bedd

OMI - Pilgrim Community Center

Ronald E. Johnson

WAR ELIA HATCH FOUND.

Frederick E. Jordan

Dr. F. B. Chambers, Commerce

HERMAN HOLLAND

Professional Legal Services

Stephen Williams

Larry K. MAERZ

STEVEN WILLIAMS

Good year

TAMER McCRAY, JR

Tones UMC.

Yvonne E. Hernandez

Income Rights

Jim Lee

RAPID SHINE SERVICES

GEORGE MIX, JR.

Urban League

Lewis Clinton

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

GUEST REGISTER

REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF _____

NAME (PLEASE PRINT)

REPRESENTING

Essei Collins
Chane Howell
At Williams

WACC
Black Bus Listings
Oxy

NOTE: Signing this sheet is voluntary, and all persons may attend this meeting regardless of whether or not a person signs in.

(See Agency Secretary for Speaker Regulations)

SF
R35
#4
5/28/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MAY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of May, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Haig G. Mardikian

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and the following were absent:

V. Fei Tsen, Vice President (Arrived 4:25 p.m.)
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Mary Jane Staymates; Nancy Crane, Amelia 40A; Ace Washington, WAPAC; Palmer Sessel; Rubin Glickman, Rubin Glickman Associates; Jennifer Spangler, Art House; Stephen Tabor, California Historical Society; Morris Philips, Fillmore Market Place Associates; and Dave Brugot, Community Housing Partnership.

Representing the press were: Ingfei Chen, San Francisco Chronicle; and Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King and unanimously carried that the minutes of the Regular Meeting of May 7, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King and unanimously carried that the minutes of the Closed Session of April 2, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of April 9, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of April 16, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of April 23, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Third Quarter Oral Reports by the Ella Hill Hutch Community Center, Young Community Developers and the South of Market Employment Center are tentatively scheduled for the June 25, 1991 Commission meeting. Staff is in the process of negotiating the next fiscal year contracts with these development service providers.
- (b) The new Sizzler at the Fillmore Center has created employment opportunities for Western Addition residents. 40 percent of the total new hires come from the 94115 zip code area and 34 percent of these are African-Americans.
- (c) Urban Economic Development Corporation (UEDC), in conjunction with Fillmore Center Associates, conducted a seminar on business opportunities in the Fillmore Center area on May 18. Approximately twenty people attended. Also participating were Agency staff who discussed the Agency's Small Business Loan Program. The Third Quarter Oral Reports by UEDC and MEDA are tentatively scheduled for the June 25, 1991 Commission meeting. Staff is initiating negotiations for contracts with UEDC and MEDA for next year.
- (d) On May 17 approximately 350 people from the South Bayshore community attended a public workshop on employment opportunities sponsored by Cala Foods, Inc. Pre-screening applications are available from numerous Hunters Point community service organizations. Deadline for submission is June 14, 1991. A Screening Committee is being formed to review applications and to interview selected applicants.
- (e) The first phase of the Third Street Corridor study will begin shortly after the contract is executed (May 1991) and should be completed soon.
- (f) To ensure that the public is fully involved in planning the future use of the Hunters Point Naval Shipyard, a letter was sent to members of the public inviting those interested to serve on the Navy Shipyard Task Force. The Mayor provided information and background on the Shipyard and is in the process of sending out a newsletter on the subject. The City is planning a public meeting on the status of the Shipyard and will answer relevant questions from 12 noon to 2:00 p.m. on June 8, 1991, at St. Paul of the Shipwreck, Third at Jamestown.
- (g) President Bagot requested the status of the loan processing and Leamon Abrams, Chief, Economic Development, reported that four

loans are pending from UEDC for businesses in the Bayview Plaza or Fillmore Center. Three out of four of these loans will go to African Americans.

- (h) On May 28, the Commissioners are invited to attend a private benefit celebration of the new Fillmore Sizzler. This is the newest Sizzler opening in the Fillmore at 1499 Webster Street, at the corner of Geary and Webster Streets, which is part of the Western Commercial Partnership's development.
- (i) The Mayor's Office is submitting the 1991-1991 budget to the Board of Supervisors, which includes the loss of two positions that were involved in monitoring the Agency's housing developments. Existing housing staff will have to pick up this important monitoring function, which may cause delays as it is impossible to keep up existing monitoring momentum with two less people. In addition, the Board of Supervisors could further reduce the Mayor's budget.
- (j) A. Lucia Mele was introduced as the new Development Specialist in Economic Development. Most recently she served as an analyst for the Berkeley Redevelopment Agency. She holds a BA in Anthropology from Stanford and a Master of City Planning from Massachusetts Institute of Technology. Her special interest is consulting with various Native American groups on such issues as economic development, real estate development and housing.

Ms. Tsen arrived at this time, 4:25 p.m.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The entity the Agency may negotiate with is YBG Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 4:25 p.m.

RECONVENED

At this time, 4:31 p.m., the meeting reconvened back to the Regular Session with the same roll call.

NEW BUSINESS-CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Requests authorization to commend Essie Webb-Jones for her service as a member of the San Francisco Relocation Appeals Board.

- (b) Requests authorization to execute an Agreement for Professional Services with Environmental Science Associates, Inc., in an amount not to exceed \$41,000 for the preparation of Negative Declarations for three proposed housing sites within the South of Market Earthquake Recovery Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 123-91 AND 124-91 BE ADOPTED.

NEW BUSINESS- REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization to negotiate the terms and conditions of an Amendment to the Land Disposition Agreement (LDA) with Griffin Related Properties-VII regarding the proposed occupancy of the Jessie Hotel by the California Historical Society (CHS) and authorizing a Second Amendment to the LDA which revises the Schedule of Performance for Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The Developer has entered into a Letter of Agreement with the California Historical Society providing, in concept, for the relocation of the Society's headquarters to the renovated Jessie Hotel. This amendment authorizes the Executive Director to negotiate the terms and conditions of an amendment to the LDA in connection with the Society's occupancy. Such amendment will be presented to the Commission for consideration at a future Agency meeting. In addition, this authorizes an extension of the LDA performance schedule with respect to the dates for submission of final construction documents and evidence of financing. The submission dates extend the final construction documents due on August 14, 1991, and will waive the building permit requirement as a preconveyance condition. The amendment does not extend the conveyance date of August 30.

Stephen Tabor, Chairman of Space Planning for the California Historical Society, announced that he is drafting a formal development agreement and stated that he will cooperate with Agency staff and the developer.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to award Demolition and Site Control Contract No. 85 to Covey Trucking Co., the lowest responsible bidder at \$41,575, for demolition of 1956-1960 Sutter Street in the Western Addition A-2. The engineer's estimate was \$40,000. Covey's affirmative action and safety programs were reviewed, found to be satisfactory, and approved. Upon checking with five governmental agencies for whom the company has performed work, its reputation was determined to be excellent. The demolition and site clearance of the vacant building at 1956-1960 Sutter Street is an action strongly supported by the adjacent property owners and the Western Addition Neighborhood Association.

In response to Nancy Crane's (a neighborhood resident) inquiries, Bill Nakamura, Chief, Engineering and Rehabilitation, indicated that the starting date is mid-June, the demolition will take thirty days and that extermination of rodents, etc., will take place ten days prior to demolition. Ms. Crane and Mary Jane Staymates expressed their support of the building being demolished.

In response to Ace Washington's inquiry, Byron Rhett, Project Coordinator for the Western Addition A-2, indicated that the LDA is completed and it has been made available to the neighboring community and construction should start in June.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to execute a Second Amendment to the Land Disposition Agreement (LDA) with Fillmore Market Place Associates for Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The Developer is requesting a Second Amendment to the LDA which would revise the Permitted Use, Schedule of Performance and the Scope of Development. Due to current market conditions for financing, the Developer is revising the development proposal from for-sale residential units to 120 affordable rental units. On June 3, 1991, the Developer plans to submit a funding application to the State's Rental Housing Construction Program (RHCP). By August 1, 1991, the Developer plans to submit an application for a reservation of low-income housing tax credits to the Tax Credit Allocation Committee. To satisfy RHCP requirements for local agency financial assistance, the Agency has agreed to keep the current land price at \$1,824,000. This price reflects a land write-off of \$488,000 that was agreed to between the Agency and the Developer as part of the LDA for the for-sale residential condominium proposal. To date, the Developer has not submitted revised basic concept drawings to the Agency for review. However, Commission approval of the Second Amendment is necessary for the Developer to satisfy RHCP site control requirements.

President Bagot inquired if a non-profit is involved and Morris Philips, Fillmore Market Place Associates, replied that they would consider a non-profit later in the process.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Owner Participation Agreement (OPA) with 1300 Post Street Partners and approval of the Schematic Drawings for the property located at the northwest corner of Post and Franklin Streets in the Western Addition A-2. The Developer proposes to construct 50 residential condominiums, a parking garage for 86 vehicles and street-level lobby space. After addressing neighborhood concerns on proposed ingress and egress to the parking garage, the

community reviewed the final design and expressed support for the new development proposal. The Developer is not requesting significant discretionary approvals and the development proposal is in conformance with all the requirements of the Western Addition A-2 Redevelopment Plan. Therefore, the Developer is not required to provide an affordable housing component in the project, although he had been encouraged to do so.

Ace Washington, WAPAC, queried who is the "community" asked to review the plans.

Mr. Helfeld indicated that on April 2, the Developer held a meeting at the Cathedral Hill Hotel at which thirty people were present from the community. Represented were: the Western Addition Neighborhood Association; and residents from 1200 Gough and 1300 Post Streets. Subsequently, a meeting was held by the Developer at the end of the month to go over the concerns expressed by the community who then noted their support.

Gene Suttle, Senior Deputy Executive Director, indicated that the City Attorney's Office opined that the citizen review was no longer necessary and project area committees were no longer funded by the Mayor's Office of Community Development. He stated that Mr. Washington could access material at the Agency and was also free to meet with staff members Shirley Wysinger or Byron Rhett.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a loan agreement in the amount of \$150,000 to the Tenderloin Housing Clinic (TIC) for the rehabilitation of commercial ground floor space to create a lobby and two live/work units for artists in the Sunnyside Hotel located at 135 Sixth Street. Funding will come from the Economic Development South of Market Earthquake Recovery Project Area monies. On November 13, 1990, the Agency authorized a grant amount of \$120,000 for the rehabilitation of a three-story residential hotel structure situated above ground floor commercial space. That rehabilitation is nearly complete. The requested loan of \$150,000 will finance necessary improvements to a corner store front to benefit the hotel tenants. In addition, it will provide affordable live/work spaces for low income artists at or below 60 percent of the area median income over the next twenty years. These improvements are also expected to stimulate other activity by contributing a positive presence on a section of Sixth Street between Mission and Howard, currently characterized by economic and social decay. This project is designed to be economically self-sufficient. The rents will be sufficient to meet the operating expenses for the property and contribute to reserves. The project has been reviewed by the South of Market Problem Solving Council, which passed a resolution of support.

Commissioners Bagot and Tsen reiterated the importance of this project.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests adoption of a resolution providing for approval of the documents necessary to refinance \$46,655,000 of mortgage revenue bond debt for South Beach Marina Apartments in Rincon Point-South Beach. Approximately three months ago, Agency staff were notified by the trustee for the South Beach Marina Apartment mortgage revenue bonds that the developer had defaulted on mortgage payments and that the HUD insurance backing the bonds had paid the trustee the entire par amount of the debt (\$46,655,000). Staff subsequently learned that the project was approximately one year in arrears in its mortgage payments. The major cause of the problem was failure to rent the more expensive units in the project. Over the last six months, the project has reduced its rents in these units, thereby increasing occupancy and monthly revenues. The Agency Commission has approved a resolution finding that staff should work toward a financial restructuring of the project in order to maintain the over one hundred units of affordable housing in the project and to keep the project on the property tax rolls. In this regard, the affordability provisions of the OPA, which currently extend 21.5 years or for the length of the financing (currently 40 years), will be extended to a minimum of 26.5 years. Other affordability provisions in the OPA extending beyond the minimum period will remain in place.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-91 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to execute a \$75,000 Predevelopment Grant to Community Housing Partnership (Sponsor) for expenses associated with the acquisition and rehabilitation of 86 units at 519 Ellis Street (the Senator Hotel) for very low income households. Grant funds will come from the Tax Increment Housing Program (TIHP) Predevelopment Program. Community Housing Partnership submitted an application for a \$75,000 predevelopment grant from the Agency's City-wide Tax Increment Housing Program. On December 14, 1990, a grant in the amount of \$50,000 was approved by the TIHP Loan Committee. The \$75,000 grant requested was not fully authorized because of design issues, which have been resolved. The Loan Committee has now approved the full \$75,000 request. The recommendation to the Commission is to ratify the \$50,000 previously approved by the Loan Committee and to approve the additional \$25,000 now recommended. The Agency Commission must determine that each project, including projects requesting predevelopment funds, is consistent with the Agency's Mission Statement and authorize the execution of the loan approved by the Loan Committee. Proposed project financing includes \$2,775,000 in permanent loan funds committed by the Savings Association Mortgage Company (SAMCO), a grant in the amount of \$250,000 from

the Cowell Foundation, and an additional \$2,476,667 from the Tax Increment Housing Program.

Dave Brugot, Community Housing Partnership; addressed the need of permanent housing for the homeless community and commented on the need for employment services.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot as to whom the new Federal disability law applies, Mr. Helfeld indicated he would check on it and report back.
- (b) President Bagot thanked Mr. Helfeld for his letter to the San Francisco Arts Democratic Club and for clarifying the 1866 Turk Street situation.

In response to an inquiry from President Bagot, Mr. Suttle indicated that the Agency will provide relocation benefits to the occupant until suitable replacement housing is found.

- (c) In response to an inquiry from President Bagot, Robert Gamble, Deputy Executive Director, Finance, summarized staff memorandum to the Commissioners on the South Beach Harbor financing.
- (d) Ms. Tsen indicated with regard to Commissioners' Questions and Matters, this is an item that Mr. Kitahata wanted included on the Agenda so that the Commissioners would have a chance to ask about Policies or Programs that came up. It is suggested that if it is a matter that can be quickly taken care of by direct conversation with staff that perhaps the Commissioners can take it upon themselves to do so. It would be helpful to bring up questions before the public only when a policy matter is involved which will affect items before the Commission and this would also assist in keeping the meetings a little shorter.

President Bagot indicated that he did not want to spend any more time than he had to on the phone with staff, but he would take Ms. Tsen's comments into consideration.

President Bagot announced that there would be seven Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates; and

Minutes of a Regular Meeting, May 28, 1991

Townsend, Colin P. Kelly and First Streets in Rincon Point-South Beach with South Beach Marina Apartments;

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin/Related Properties VII; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

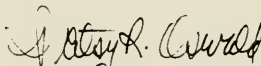
Site K, Embarcadero and Townsend Street in Rincon Point-South Beach with BRIDGE Housing Corporation.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to seven Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

June 25, 1991

JUL 29 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF JUNE, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Southeast Community College, 1800 Oakdale Avenue in the City of San Francisco, California at 4:30 o'clock p.m. on the 4th day of June, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Haig G. Mardikian

and the following were absent:

Leroy King
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Michael Chan, Asian, Inc.; Jane Graf, Catholic Charities; Al Bovice, Housing Development and Neighborhood Preservation Corporation; Virginia Cerenio and Ed de la Cruz, West Bay Pilipino Multi-Service Corporation; Ernest Lorente, Filipino American Political Association; Isabel Ugat, South of Market Problem Solving Council; Gladys Dodds, West Bay Pilipino Multi-Service Corporation; Sylvia Kwan, and Patrick Mora, Kwan Henmi Architecture/Planning; Rich Sorro, Mission Hiring Hall; Donald Todd, Don Todd Associates; Robert Davis, Fillmore Center Associates; Theodore Wang, San Francisco Lawyer's Committee for Urban Affairs; John Casey, Casey & Company; Thomas Thompson, Associated General Contractors of California; Samuel Aaron Williams, President, California Minority Vendors Bank; Martin Dinkins, Dinkins Consulting; Freddie Carter, Sr.; Ernie Lowe, Ernie Lowe & Sons Construction; Willie and Mary Ratcliff, Liberty Builders; Alvin Norman, Al Norman Plumbing; Greg Rhoha, Greg Rhoha Associates; Roland Quan, CPA, Quan & Lee; Lafayette Jamerson; Alan Dones, Minority Contractors Association; Dick Lam, Lam Securities Investment; Charles Collins, Western Development Group; Samuel Murray; Espanola Jackson; Willie Bell McDowell; Ace Washington, WAPAC; Nathan Malbrue; Teresa Carion; Barbara Meskunas; Freddie Carter; Morris Phillips, Housing Associates, Inc.; Orville Luster; Raj Sahai; Eddy Lau; J. Haq; Peggy Johnson; Kam Yan; and Richard Moss.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of April 30, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot made the following Statement: "Do I believe that the San Francisco Redevelopment Agency should target assistance to new African-American businesses? Yes, I do, of course. I have spoken and acted in support of that idea since I joined the Commission. I will continue to work hard with the community on this issue. Do I believe that the Agency has effectively supported new Black business? No, I don't. It's pretty obvious. I have stated my position on the lack of performance on numerous occasions. The Mayor will soon appoint an Economic Development Task Force made up of representatives of the African-American community to work with the Agency. I think we need the most help in this area. It is clear to me why the Agency has been so ineffective. The old-style redevelopment approach limited its assistance to the attempt to place new businesses in expensive new retail space like Bayview Plaza. The results show that the Agency failed to help these businesses. We have to work differently, and better. Some improvement is already being made. What was I talking about in my memo? My memo was a hastily written effort at getting the Agency's plan for the five million dollar set aside back on track. It criticized the poor performance in support of new African-American businesses. The quote in question was taken completely out of the context of the rest of the memo, and it is also completely out of the context of my stated positions and work on these issues. If asked, I could have clarified any confusion. My performance speaks for itself. But not everyone who read or heard about the quote closely follows the work of the Agency, or my role in it. The wording doesn't accurately reflect my position. I can see how people who don't know me or my work could have drawn a negative conclusion. So, I'm sorry for any misconception that people could have had from the language in my memo. Does the Agency have a special relationship with and responsibility to the African-American community? The Redevelopment Agency under prior administrations damaged the community and African-American businesses. The performance of the Agency in the last three years shows that it's very different than the one that laid waste to the Fillmore business district. But, even viewed in the most positive terms, the work of the Agency remains unfinished. The Agency does have a special responsibility to take aggressive action to correct this past negative impact. How do I feel about the Agency's performance in support of African-American economic development? It's important to remember that the new \$5 million increase in funding isn't the only thing the Agency has been doing in this area. As I have said for some time, I don't believe the Agency is serving new businesses well. And I wish that the plan for spending the set aside had moved more quickly. But, overall, under this

administration, the Agency has served the economic interests of the community well. I think that the Agency has taken actions that help, including: the millions of dollars in contracts and jobs in the Fillmore Center development; Site 732 in the Western Addition, with the first-ever policy that developers on this parcel must be African-American; the Cala supermarket in Hunters Point; hundreds of jobs on development projects; and affordable housing development in Hunters Point by African-American developers. The Mayor has issued a statement, to which I and other Agency Commissioners contributed, for more information. As you will see from the Mayor's statement, we believe that we have accomplished a lot, that there is a lot more to do, that major improvements are necessary, and that we are taking steps to make these improvements. I think the most crucial step will be the appointment by the Mayor of the Economic Development Task Force made up of representatives of the community. I look forward to working with the members of that Task Force to improve the Agency's work on these issues."

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) To update the community, the Mayor's Office has issued a status report on negotiations with the Navy for the Hunters Point Shipyard.
- (b) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation for businesses in the Fillmore Center and Bayview Plaza.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a grant not to exceed \$110,000 to Progress Apartments, Inc. (Developer) for expenses related to the development of housing located at 1272 Van Ness Avenue. Progress Foundation received a HUD fund Reservation for 12 units of Section 202 housing for very low income mentally disabled persons in 1989. The Agency assisted the development by acquiring the site in 1990. The cost of the portion of the site to be conveyed to the sponsor is \$468,000. In June 1990, the Agency entered into an LDA with Progress Apartments, Inc. for the development of a portion of this Agency-owned land located at 1272 South Van Ness Avenue. Progress Apartments, Inc. is a non-profit public benefit corporation created expressly for the project by Progress Foundation. In addition to providing housing to mentally disabled persons, the Developer has a contract with the Department of Public Health to provide off-site supportive services. The Developer has received all of its planning approvals and construction is scheduled to start on October 1, 1991. However, project financing is approximately \$110,000 short, and the Developer has applied to the Agency's City-wide

Tax Increment Housing Program (TIHP) for the gap funding. Until gap funding is secured by the Developer, HUD will not close its Section 202 loan and may terminate its funding reservation if additional financing is not identified quickly.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a \$440,000 Regulatory and Grant Agreement between the Agency and Dolores Street Community Center (DSCC) to provide the funds for the acquisition of 220 Dolores Street. DSCC was formally incorporated in June 1988. It currently operates a 32-bed shelter for Central American refugees, conducts activities and luncheon programs for senior citizens, and coordinates the use of its two buildings located at 15th and Church Streets by more than 50 non-profit organizations and community groups, many of whom provide AIDS related services. DSCC is proposing to purchase a building adjacent to their existing administrative offices and emergency shelter. This building will be rehabilitated for the purpose of providing permanent affordable housing to people with AIDS who are capable of living independently. The project, known as Hope House, will be designed as a group residence accommodating a maximum of 15 people and will include a community kitchen, dining room and living space. It will be managed by a non-resident staff persons who will coordinate AIDS resources, monitor nutritional needs, maintain health care appointments, facilitate weekly house meetings, and coordinate volunteers. DSCC submitted an application for \$400,000 to the Agency's City-wide Tax Increment Housing Program (TIHP). Staff has analyzed the proposal and recommended it for approval to the TIHP Loan Committee, which approved the grant on May 20, 1991. Pursuant to established TIHP approval process the Agency Commission must authorize the execution of grants and loans approved by the Loan Committee.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), a workshop, the purpose of which is for presentations on South of Market affordable housing sites by three prospective non-profit developers who submitted responses to the Agency's Request for Qualifications (RFQ). They are: Asian, Inc.; Catholic Charities of the Archdiocese of San Francisco; and Housing Development and Neighborhood Preservation Corporation. Each developer will present the qualifications of its development team and answer any questions posed by the Commission. Specifically to be discussed are their plans and capability to obtain necessary financing and get the developments underway promptly. On April 5, 1991, the Agency issued an RFQ for the development of affordable family rental housing on the 7th and Natoma Street site acquired by the Agency as part of its South of Market Earthquake Replacement Housing Program. The RFQ was later amended to include another site, 1028 Howard Street, that had been optioned by the Agency after the initial RFQ was

issued. This site would also be developed as family rental housing. The 1028 Howard Street site was added to the RFQ so that a developer could be selected in time to apply to the last funding round of the State's Rental Housing Construction Program (RHCP) in the Fall of 1991. The development potential of the two sites is 20 to 30 units at the 7th and Natoma site and 35 to 40 units at the 1028 Howard Street site. During June, the Agency is planning a collaborative RFQ evaluation process which will include participation from South of Market residents and businesses, the City Planning Department and the Agency Commission and Staff. It is anticipated that the selection of the developer will be made by June 25, 1991. There will be site visits to view existing projects of the developers on June 17 and 18, 2:00 p.m. to 4 p.m.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions on this item because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 4:50 p.m., President Bagot turned the Chair over to Ms. Tsen.

Michael Chan made the presentation for Asian, Inc. and introduced the development team.

Jane Graf made the presentation for Catholic Charities and introduced the development team.

Al Bovice, Housing Development and Neighborhood Preservation Corporation (HDNPC), Virginia Cerenio and Ed de la Cruz, West Bay Pilipino Multi-Service Corporation (West Bay), presented the joint venture proposal between the two entities and introduced the development team.

The following persons spoke in support of the proposal by HDNPC/West Bay: Ernest Lorente, Filipino American Political Association; Isabel Ugat, South of Market Problem Solving Council; Gladys Dodds, West Bay Pilipino Multi-Service Corporation; Sylvia Kwan and Patrick Mora, Kwan Henmi Architecture/Planning (Project Architect for HDNPC/West Bay); and Rich Sorro, Mission Hiring Hall.

In response to an inquiry from Espanola Jackson, Mr. Helfeld indicated that development of these sites will not affect the Health Center on Minna Street.

At this time, 5:29 p.m., Ms. Tsen turned the Chair back to President Bagot.

President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 with Fillmore Center Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and Closed Session on Personnel. The meeting adjourned at 5:30 p.m.

RECONVENED

At this time the meeting reconvened back to the regular session, 6:00 p.m. with the same roll call.

- (d) A Public Hearing on Discrimination against Minority or Woman-owned Professional Consultants and Construction Contractors.

Mr. Helfeld introduced item (d), the purpose of which is to determine if minority or woman-owned business enterprises have been discriminated against in their efforts to obtain professional service and construction contracts on public and private sector projects in the San Francisco-Oakland Bay Area, including, but not limited to contracts on Redevelopment Agency projects. It will be recalled that the Agency was forced to drop its goal-oriented subcontracting program because of the Supreme Court's decision in the City of Richmond v. J.A. Croson Company. In April of this year the Commission authorized a contract with National Economic Research Associates, Inc. to determine whether there is a significant disparity between the number of minority or woman-owned business enterprises utilized and their availability in the Agency's market. This type of analysis is now required by Croson before any kind of minority or woman-owned business enterprise goals can be considered by a government entity. NERA's final report is expected to be received before the end of July. At that time, an opportunity for the public to review the NERA report and to testify before the Commission will be provided. At this meeting the Agency is to receive testimony from persons who are knowledgeable as to whether minority or woman-owned business enterprises have been discriminated against in their efforts to obtain professional services and construction contracts on public and private sector projects in the San Francisco-Oakland Bay Area, including contracts on Redevelopment Agency projects. Susan Kahler is a Court Reporter who has been engaged to preserve the integrity of the testimony received at the Public Hearing and will be swearing in the witnesses. NERA is represented by Mark Berman and its attorneys, John Harrison and Shirley Alexander of Harrison, Taylor and Bazile. The

Agency's outside counsel, Henry Hewitt of Erickson, Beasley and Hewitt is also present.

Mr. Harrison opened the Public Hearing to hear all persons interested in this matter.

Mr. Harrison conducted the hearing and Ms. Kahler swore-in the witnesses all of whom stated their business affiliation and ethnicity.

The following persons testified: Donald Todd, President, Don Todd Associates; Robert Davis, Fillmore Center Associates; Theodore Wang, San Francisco Lawyer's Committee for Urban Affairs; John Casey, Casey & Company; Thomas Thompson, Associated General Contractors of California; Samuel Aaron Williams, President, California Minority Vendors Bank; Martin Dinkins, Dinkins Consulting;

President Bagot announced that there would be a brief recess. The meeting recessed at 8:05 p.m. and reconvened at 8:15 p.m. with the following roll call and without a quorum:

Buck Bagot, President
Haig G. Mardikian

The following persons testified: Freddie Carter, Sr.; Ernie Lowe, Ernie Lowe & Sons Construction; Willie and Mary Ratcliff, Liberty Builders; Alvin Norman, Al Norman Plumbing; Greg Rhoha, Greg Rhoha Associates; Roland Quan, CPA, Quan & Lee; Lafayette Jamerson; Alan Dones, Minority Contractors Association; Dick Lam, Lam Securities Investment; and Charles Collins, Western Development Group.

There being no further persons wishing to appear in connection with this matter, Mr. Harrison declared the Public Hearing closed.

Mr. Harrison indicated that a written report will be prepared which will become a public document. The Commission will hold further hearings to provide an opportunity for community input.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted that in response to an inquiry from Richard Brown of the Ella Hill Hutch Community Center, requesting clarification of the affirmative action policy for non-profit developers, he had indicated it is the same as for other developers. However, he would like staff to respond to Mr. Brown in writing.
- (b) President Bagot requested staff to provide an explanation to Mr. Brown as to why National Economic Research Associates were selected to undertake the MBE/WBE discrimination study.
- (c) In response to an inquiry from President Bagot as to how the Agency can assist contractors with bonding in terms of economic

Minutes of a Regular Meeting, June 4, 1991

development, Mr. Suttle, indicated that this is part of the Economic Development Implementation Plan.

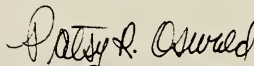
PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Samuel Murray noted his concerns regarding: the apparent lack of attention paid by the Commissioners during the affirmative action testimony and that there was no quorum for part of the hearing.

ADJOURNMENT

The meeting ended at 10:30 p.m. without a quorum.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

July 2, 1991

SF
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#4
6/11/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JUNE, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of June, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Leroy King
Haig G. Mardikian

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and the following were absent:

Sonia Bolanos (Arrived 4:23 p.m.)
Gary Kitahata (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Gene Suttle, Senior Deputy Executive Director, and staff members were also present.

Also present were: Katherine Nash, WANA; Drew Bagdasarian; Don Turner, BRIDGE Housing Corporation; and Tim Troyer, Walden House.

President Bagot indicated that the Report of the Executive Director would be held pending Mr. Helfeld's arrival at the meeting and that the Consent Agenda would now be considered.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an Eleventh Amendment to the Agreement for Legal Services with McCutchen, Doyle, Brown & Enersen which increases hourly rates and the maximum amount payable by \$50,000; All Redevelopment Project Areas.
- (b) Authorizing a Second Amendment which increases the amount payable by \$26,000 and makes other changes to the Landscape Architectural Agreement with Omi Lang Associates; Yerba Buena Center.
- (c) Authorizing a Second Amendment to the Owner Participation Agreement for the development of the site located at the northeast corner of Laguna and Eddy Streets (Assessor's Block 735, Lot 28) with Virginia Pon; Western Addition A-1.

- (d) Authorizing extension of Exclusive Negotiations with Hilborn Hoover Properties for the purchase of the Pier 42 Bulkhead Building and the Sublease of a portion of Pier 40; Rincon Point-South Beach.
- (e) Authorizing a Letter Agreement to provide the services of an Employee in connection with the Agency's administration of the Mayor's Office of Special Projects.
- (f) Authorizing a contract with William Blythers, doing business as Graphic Design Services in an amount not to exceed \$11,500 for Office Signage.
- (g) Authorizing the expenditure of up to \$19,700 to purchase computers, printers, related equipment and software for the Development and Real Estate, Architectural and Project Divisions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (g), RESOLUTION NUMBER 134-91 THROUGH AND INCLUDING RESOLUTION NUMBER 140-91, BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation for businesses in the Fillmore Center and Bayview Plaza.

In response to an inquiry from President Bagot, Mr. Suttle indicated that staff are working on the issues raised in a letter from Samuel Murray, New Bayview Committee, addressed to Ssangyong Yashima Future Development regarding compliance by the Developer with affirmative action and local preference commitments in Bayview Plaza.

In response to an inquiry from Ms. Tsen, Mr. Suttle indicated that staff is responding to letters received regarding the Agency's proposed Economic Development Implementation Plan.

Executive Director Edward Helfeld arrived at the meeting during Mr. Suttle's report and reported to the Commissioners on the following matters:

Mr. Kitahata arrived at the meeting at this time, 4:20 p.m.

- (b) The Agency's interim budget will be before the Finance Committee on June 12 and the full Board of Supervisors on June 17. The entire budget will be before the Finance Committee on June 19. A newspaper article has been provided to the Commissioners which indicates some of the issues.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that Robert Gamble, Deputy Executive Director, Finance, has reviewed the budget with Supervisor Hallinan's Aide and is

hoping to also meet with Supervisors Gonzales and Shelley in this regard.

Ms. Bolanos arrived at this time, 4:23 p.m.

- (c) A meeting has been requested with Supervisor Gonzales to review the options for the Mexican Museum that the Agency has suggested.

A discussion ensued between the Commissioners and staff regarding; the appropriateness of Agency's role in assisting the Mexican Museum to locate a site; the desirability of cooperating with Supervisor Gonzales on this issue; and the need for a review by the Agency's Legal Division of agreements that are already in place for the Yerba Buena Gardens Cultural Center.

Ms. Tsen noted her concern that the Agency does not promise more than it can deliver and looking at potential sites could raise expectations and create a precedent for other organizations to seek Agency assistance.

Ms. Bolanos indicated that she has been asked by the Yerba Buena Gardens Cultural Center to assist in discussions with the Mexican Museum, however, she has never made any statement that she is representing the Agency.

Mr. Helfeld indicated that in the event a suitable site is located then the Agency would assist in its acquisition if the funds are provided.

- (d) The Mayor has issued an Open Letter to the African-American community on the direction it is proposed to proceed in the economic development process. The African-American Coalition has been asked to recommend names for a Task Force and it is expected the Mayor will announce the appointments by the end of this month.

NEW BUSINESS - REGULAR AGENDA

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Development Sublease Agreement with Site K, Inc. (BRIDGE Housing Corporation) for Site K which is bounded by King Street, Townsend Street and the Embarcadero in Rincon Point-South Beach. BRIDGE plans to begin construction of 108 rental units for very low and low income households in July 1991. Development costs of approximately \$14.5 million will be financed by: \$4,165,265 from the State Rental Housing Construction Program; \$8,594,614 in limited partner equity from the sale of tax credits; and a permanent loan of \$1.650 million from SAMCO which is comprised of savings and loan institutions who underwrite affordable housing developments at below market financing terms. Remedial measures developed for potentially hazardous chemical constituents identified on the site are contained in a Hazardous Waste Management Plan which has been approved by the City's Department of Public Health and the State Department of Health Services. The Developer has satisfied all the terms and conditions of an

Option for Development Sublease authorized in August 1990 and is prepared to exercise the option for the agreement.

Ms. Tsen noted that this is an example of a project that has leveraged public resources.

President Bagot indicated he was pleased to see involvement by the West Bay Pilipino Multi-Service Center in the project.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-91 BE ADOPTED.

President Bagot indicated that, although there is no technical conflict of interest involved, he would refrain from discussions on item (i) because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 4:50 p.m., President Bagot turned the Chair over to Ms. Tsen

- (i) Mr. Helfeld introduced item (i), which requests authorization of a change in the terms of a funding commitment of \$800,000 to Catholic Charities of the Archdiocese of San Francisco for the development of 111 Jones Street as part of the City-wide Tax Increment Housing Program (TIHP). In September 1990, an \$800,000 deferred loan to Catholic Charities was authorized for the development of 100 units of affordable and senior housing at 111 Jones Street. The Agency subsequently issued tax exempt bonds to finance the Tax Increment Housing Program, however, since proceeds from the bonds cannot be used for loans, the funding commitment must be revised to reflect either a grant or other financing instrument allowable under tax exempt bond regulations. It is therefore proposed to enter into a \$200,000 grant agreement to pay tax credit reservation fees and other predevelopment costs. The funding terms for the \$600,000 balance are not yet finalized but will probably be in the form of a \$600,000 grant and regulatory agreement recorded against the land or a ground lease valued. Staff is working with the Mayor's Office and City Attorney's Office to develop proposed policies for use of a ground lease mechanism, however, it is taking longer than anticipated to resolve the legal issues involved. In the interim, to meet the loan closing deadlines of the projects funded to date, the Agency's Legal Division has developed a grant and regulatory agreement which would be recorded with the property and give the Agency a number of remedies, including reversion of the property in the case of default. It is anticipated a further report on the form of affordability mechanism to be used for rental housing projects will be made next month. All other funding commitments for this project have now been obtained and construction will commence in the Fall of 1991.

The Commissioners noted their concerns regarding loans versus grants.

Mr. Kitahata expressed a preference to use Agency funds in the form of an equity investment such as acquiring land and leasing it to developers to develop affordable housing, although he recognizes the Agency may have a legal liability.

ADOPTION: IT WAS MOVED BY MR. KING SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-91 BE ADOPTED.

At this time, 4:55 p.m., President Bagot resumed the Chair.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a \$188,690 Grant to Walden House, Inc. for rehabilitation of 890 Hayes Street as part of the City-wide Tax Increment Housing Program (TIHP). Walden House has secured a thirty year lease for the property for the purpose of operating a joint Substance Abuse Treatment Program and Transitional Group Home for low-income, indigent and homeless clients from San Francisco. The project provides for 37 bedrooms, which will accommodate approximately 80 beds, and facilities for the residential substance abuse treatment program. The rehabilitation cost is estimated at \$2.1 million which includes funding from the State, Community Abuse Services, a private lender and two private foundations. The tax increment funds being requested are to cover final construction change orders needed to complete the women's wing. Since it was established in August 1969, Walden House has expanded to become a large non-profit social service organization operating various programs throughout California which are in great demand due to the increase in substance abuse and the number of homeless and indigent people. The loan has been approved by the TIHP Committee, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

Tim Troyer, Walden House, requested approval of item (j).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Suttle indicated that information has been provided to Richard Brown of the Ella Hill Hutch Community Center regarding affirmative action for non-profits.
- (b) In response to an inquiry from President Bagot regarding appointments to the Yerba Buena Gardens Cultural Board, Mr. Helfeld indicated that Commissioners Bolanos and Tsen have indicated a willingness to serve. Ms. Bolanos has suggested the appointment of a Professor Carlos Cordova of San Francisco State and the other suggestion is Charlotte Berk, a former Agency Commissioner. Paula Collins was also suggested but this would not be appropriate as she is a developer doing business with the Agency and there could be a perceived conflict of interest.

David Madway, Agency General Counsel, noted that the matter of appointments should come before the full Commission and be acted upon by resolution.

- (c) Mr. Kitahata requested a copy of a concept paper issued by the Chinatown Task Force, which Mr. Helfeld indicated would be provided to the Commissioners. Mr. Kitahata further requested the Commissioners be kept advised on a regular basis of the progress of the Task Force.

President Bagot suggested an Agency meeting be held in Chinatown.

Ms. Tsen noted that this is not a Redevelopment Project Area and the Task Force will provide input to the Mayor's Office and the Agency. The Task Force is holding meetings on a weekly basis which can be attended by Commissioners if they so desire. It would be more appropriate to hold a meeting in the area when the Task Force are ready to present their preliminary findings to the Commission.

- (d) Ms. Bolanos inquired regarding regular meetings with Deputy Mayor James Ho on the subject of economic development.

Following discussion, it was the consensus of the Commission that such meetings continue to be scheduled on a regular basis to be attended by Commissioners Bolanos and Kitahata.

- (e) Mr. Helfeld indicated there will be site tours on June 17 and 18, 2:00 p.m. to 4:00 p.m., to view existing projects of the developers who responded to the Request for Qualifications (RFQ) for South of Market housing sites.

President Bagot announced that there will be three Closed Sessions pursuant to Government Code 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

San Francisco Naval Shipyards with the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, June 7, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

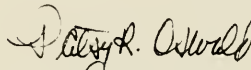
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON JUNE 7, 1991.

This item is pursuant to Government Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets and the entity the Agency may negotiate with is Griffin Related Properties.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 2, 1991

SF
R35
#4
6/18/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JUNE, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 18th day of June, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Gary Kitahata

and the following were absent:

Leroy King
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Helene Fried; John Roloff, Jaune Quick-to-See Smith, Reiko Goto and Terry Allen, Artists for the Esplanade in Yerba Buena Center; Mary Jane Staymates, Western Addition Neighborhood Association (WANA); Palmer D. Sessell; Ed Franklin, Amelia Phase I Homeowners Association; Joseph Skiffer, Bushmoor Associates; Don Turner, BRIDGE Housing Corporation; and Randall Evans.

Representing the press was: Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of May 14, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On June 17, the Board of Supervisors passed the Agency's 1991-1992 interim budget. The regular budget will be before the Finance Committee on June 19, 1991.
- (b) With regard to economic development, the Commissioners have been provided with a letter to the Mayor from the African-American Coalition recommending names of persons for the Task Force.

- (c) A meeting of the Chinatown Economic Development Task Force was held on June 17 at which committees were appointed.
- (d) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation for businesses in the Fillmore Center and Bayview Plaza.

In response to an inquiry from President Bagot, Mr. Suttle indicated that the Loan Committee meets on the third Wednesday of each month.

President Bagot noted his pleasure that the City's Enterprise Zone application to the State has been approved for San Francisco.

- (e) The Commissioners have been provided with a recent Fair Housing Audit by Operation Sentinel for the six Agency bond-financed developments. Staff plans to meet with Operation Sentinel to discuss the audit and will report back to the Commission.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an expenditure of funds not to exceed \$1,700 to purchase facsimile equipment for the Project Area and Fiscal Divisions.
- (b) Authorizing an expenditure of funds not to exceed \$40,000 to upgrade the Agency's main computer to meet the hardware requirements of the new financial accounting software.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 144-91 AND 145-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which is a workshop to present artwork proposals developed by four artists for the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. The proposals have been reviewed at several stages by the Agency's architects and its Artist Selection Panel, the Art Commission's Visual Arts Committee, Olympia & York, the Museum of Modern Art, Friends of the Gardens and City Planning Department staff. The incorporation of artwork into the Esplanade has been an important part of the project since its inception in 1986 and since that time Artist Lin Utzon has worked as part of the MGA Partners architectural team to develop artwork in conjunction with the fountain walls and other structural elements. In September 1990, Artist Houston Conwill was selected to design the Martin Luther King, Jr. Memorial. The additional four artists were selected because of their ability to discover and express the specific

character of the places in which their artwork is set and to integrate art with the site. They were asked to develop works to complement and extend the design and artwork already underway for the Esplanade. The artists are: John Roloff; Jaune Quick-to-See Smith; Reiko Goto; and Terry Allen. Helene Fried is advising the Agency on the CB-2 artwork program and assisting the artists and architects in concept development and integration, budgeting, coordination and related concerns. The art proposals will be scheduled for consideration by the Commission at a future date and, upon approval, will be incorporated into the final construction documents for the Esplanade.

Helene Fried introduced the artists who made presentations and responded to questions from the Commissioners.

- (d) Mr. Helfeld introduced item (d), which requests authorization to designate two Agency Commissioners and appoint two Agency representatives to serve on the Center for the Arts at Yerba Buena Gardens Board of Directors in connection with Yerba Buena Center. It is proposed to designate Commissioners Tsen and Bolanos to serve as non-voting members of the Center's Board of Directors and to appoint Charlotte Berk and Carlos Cordova to serve as voting members of the Board. To permit these actions, a change in the Center's By-laws is necessary and will be considered by the Board at its July 10, 1991 meeting.

The Commissioners expressed appreciation to Ms. Berk and Mr. Cordova for accepting the appointments.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Personal Services Contract in an amount of \$130,000 with Adele Naude Santos and Associates for architectural programming and master planning services for the Children's facilities on Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. The CB-3 building program includes: a child care center; a carousel; a children's place; and an ice rink/bowling center, all set in an active children's garden. Subsequent to the issuance of a Request for Qualifications (RFQ) for architectural services for design of the program, this firm which is a woman-owned business enterprise located in San Diego with an affiliated office in Philadelphia, was selected as the CB-3 architect and the Commission authorized staff to proceed with contract negotiations. The contract includes funds for technical and cost consultants and, upon approval by the Commission of the program and conceptual master plan, a full architectural design contract will be recommended with a lump sum fee. It provides for an intensive three-month programming, master planning and review process with a series of advisory committees which have been meeting regularly for the past year to advise the Agency on the program of each building and the process of obtaining operators for them. Two public workshops are also planned for community

input. The firm's affirmative action program is considered satisfactory.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-91 BE ADOPTED.

- (f) Public Hearing to hear all persons interested in granting two variances to Bushmoor Associates modifying the permitted building height and density of development for the proposed residential development on Lots 15 and 71, Assessor's Block 677, located on the north side of Sutter Street between Fillmore and Webster Streets; Western Addition A-2.
- (g) Public Hearing to hear all persons interested in a Disposition of Land for Private Development with Bushmoor Associates for the parcels located on the north side of Sutter Street between Fillmore and Webster Streets; Western Addition A-2.

Mr. Helfeld introduced item (f), which requests the granting of two Variances to Bushmoor Associates which modify the permitted building height and density of development for the proposed residential development of the parcels located on the north side of Sutter Street between Fillmore and Webster Streets in the Western Addition A-2.

Mr. Helfeld introduced item (g), which requests authorization of a Disposition of Land for Private Development with Bushmoor Associates for the parcels located on the north side of Sutter Street between Fillmore and Webster Streets in the Western Addition A-2.

The developer is proposing to construct seventeen market condominiums and is offering a Community Benefits Program consisting of a \$10,000 scholarship fund for minority youth in the Western Addition and \$25,000 to the Agency's Affordable Housing Fund. The Redevelopment Plan permits a maximum of 60 Agency rooms, however, since the schematic drawings submitted indicate the development will contain 62 rooms, a density variance for two additional Agency rooms is being requested. The maximum height permitted under the Redevelopment Plan is 40 feet, however, the height of the development is 46 feet and a height variance of six additional feet is therefore being requested. The performance schedule calls for: submission of evidence of financing by July 15, 1992; conveyance of the site by August 26, 1992; commencement of construction no later than September 26, 1992 and completion within eighteen months of conveyance of the site to the developer.

President Bagot opened the Public Hearings to hear all persons interested in these matters.

The following persons spoke regarding items (f) and (g): Mary Jane Staymates, Western Addition Neighborhood Association (WANA); Palmer D. Sessel; and Ed Franklin, Amelia Phase I Homeowners Association.

Ms. Staymates and Mr. Sessel noted support for the project now that their concerns have been satisfactorily resolved. However, Ms. Staymates requested no extensions be granted to complete this long delayed development.

Mr. Franklin noted his concerns regarding: the developer has not worked with the Amelia Phase I Homeowners Association as he apparently has with others; the sunlight that comes into the Amelia I will be blocked; the egress looks in on a child's bedroom; and because the Amelia Phase I Homeowners Association has had problems with the budget process and does not want to be associated with the Amelia Phase II, he would like the project given a different name.

There being no further persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

Edmund Ong, Chief, Architecture, indicated that the egress referred to by Mr. Franklin is for emergency purposes only and complies with code requirements.

Byron Rhett, Project Coordinator, Western Addition A-2, indicated that staff feels the issues raised by Mr. Franklin on behalf of Amelia Phase I are not significant and the current design is a fair solution.

Joseph Skiffer, Developer, indicated that there is a recorded easement for ingress and egress. He indicated that the project has been identified as Amelia Phase II and will be so marketed. It is planned to create a separate homeowners association.

In response to an inquiry from Ms. Tsen, Mr. Suttle indicated that both parcels have been reappraised to determine the fair reuse value.

Ms. Tsen noted that it might be appropriate for the Commission to review granting extensions to developers as a policy matter and determine whether a fee should be charged.

In response to an inquiry from Ms. Tsen, Mr. Skiffer indicated the performance schedule is reasonable and acceptable.

In response to an inquiry from Mr. Kitahata, Mr. Skiffer indicated that the scholarship fund will be administered by a Board comprised of Western Addition educators and he would make a report to the Commissioners when the final arrangements are determined.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-91 BE ADOPTED.

- (h) Public Hearing to hear all persons interested in granting a variance to Western Commercial Partnership I modifying the off-street parking requirements for the residential/commercial building located at the southwest corner of Geary and Webster Streets; Western Addition A-2.

Mr. Helfeld introduced item (h), which requests authorization of a Variance to Western Commercial Partnership I modifying the off-street parking requirement for the residential/commercial building located at the southwest corner of Geary and Webster Streets; Western Addition A-2. It is recommended this item be continued to the meeting of July 2, 1991 at the request of the developer.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 150-91, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF JULY 2, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot indicated there would be a brief recess. The meeting recessed at 5:35 p.m. and reconvened at 5:40 p.m. with the same roll call.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a \$1.5 million Regulatory and Loan Agreement or Grant Agreement or Ground Lease Agreement with BRIDGE Housing Corporation for the acquisition and development of property located at the southwest corner of Fell and Gough Streets as part of the 1991-1992 City-wide Tax Increment Housing Program (TIHP). BRIDGE plans to construct approximately 88-107 affordable family rental units and is currently negotiating with the owner on the final acquisition price. The current purchase price is \$3.850 million, however, BRIDGE has not executed the purchase agreement because they are seeking further price reductions or larger seller financing for the balance of the purchase. The forward commitment of \$1.5 million being requested to provide BRIDGE with additional financial leverage during purchase negotiations and preparation of a strong application to the State's Rental Housing Construction Program (RHCP) during the Fall of 1991. A tax credit application would be submitted during the Spring of 1992. The \$1.5 million commitment will enable the Sponsor to obtain site control and is contingent upon: approval by the Board of Supervisors of the Agency's 1991-1992 budget; BRIDGE providing the Agency with the remaining commitments for acquisition financing by October 1, 1991; Agency review of the schematic drawings; and completion of an environmental hazardous waste analysis. BRIDGE proposes to secure the remaining source of funds for acquisition through a conventional private loan. In the event RHCP financing is not obtained but tax credits are obtained, BRIDGE has prepared a proforma which indicates the feasibility of a project whereby all units would be affordable to households at 60 percent of the median. If an allocation of tax credits is not granted, the project potential would be a

mixed-income development. It is important to reach agreement on the number of housing units to be constructed.

In response to an inquiry from Mr. Kitahata regarding when the mechanism for ground lease situation versus loans and grants would be resolved, Bill Rumpf, Chief, Housing and Management Production, indicated that there have been postponements in meetings with the City Attorney's Office and the Mayor's Office of Housing, however, he would do his best to speed up the process. A ground lease mechanism is unusual and a practical way of administering it needs to be determined.

Ms. Tsen noted her concern of a forward commitment when the Agency's budget has not been approved by the Board of Supervisors and a precedent could be created by committing funds before they are received.

Mr. Helfeld noted that not many good housing sites become available and staff feels advantage should be taken of a non-profit being willing to develop the site.

Don Turner, BRIDGE, indicated there is enormous value in having a forward commitment because it will greatly strengthen the hand of the non-profit in discussions with the seller who is aware that the Commission is considering the matter today and understands there is a risk the budget may not be approved. Without the forward commitment, the seller might sign a purchase contract with a private developer as opposed to a non-profit. It is important for BRIDGE to demonstrate site control.

President Bagot indicated that the developer should bear in mind that the same affirmative action requirements apply to non-profits as to private developers.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-91 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a Personal Services Contract with KPMG Peat Marwick (KPMG) and Williams Adley & Co. for the Agency's Annual Financial Audit for a three year period in a total amount not to exceed \$152,200, \$46,000 of which represents the maximum amount for the fiscal 1991 audit. KPMG has performed highly satisfactory audits for the City and the Agency for the past ten years and since there were no further options to renew under the contract, the City put it out to bid. Although another nationally know CPA firm in joint venture with a minority CPA firm was judged to be as professionally proficient as KPMG, their bid was significantly higher and KPMG was awarded the City contract. Contract requirements included: an overall level of 28 percent minority participation; and that the principal firm be a nationally known CPA firm because the opinion of such a firm on the City's and Agency's statements is considered essential to investor confidence in bond issues and lowers borrowing costs. KPMG will be the principal contractor, however, their work will be

performed with a joint venture partner, William Adley & Co., a minority-owned CPA firm. With the objective of increasing the minority firm participation rate in years to come, the Agency plans to involve higher level management staff from Williams Adley & Co. in its audit which will contribute to the City's overall participation rate. Funds for the audit are provided for in the 1991-1992 budget and work is scheduled to commence in August 1991.

President Bagot noted that KPMG does business in South Africa. Efforts to find a suitable nationally known CPA firm that does not do business in South Africa were unsuccessful.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-91 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of a \$677,025 Regulatory and Grant Agreement with Indochinese Housing Development Corporation (IHDC) for the acquisition and rehabilitation of 375 Eddy Street as part of the Citywide Tax Increment Program (TIHP). The Sponsor has entered into a purchase contract with the owners of the building which is currently occupied mainly by very-low and low income Southeast Asian families and provides very affordable housing. Rehabilitation will include seismic retrofitting of 35 studio and one bedroom units. There are also plans to create a recreation area for children living in the building. IHDC, a community based non-profit, was established in 1981 to provide affordable housing primarily for lower income Southeast Asian refugees in San Francisco and its goal is to encourage and develop tenant participation eventually leading to tenant management. Part of the source of acquisition funds would come from 340 Eddy Street which IHDC has successfully operated and is directly across the street from the subject building. The requested tax increment funds would cover 30 percent of the total development cost of the project, estimated at \$2.235 million, and provide \$18,800 per unit. The loan has been approved by the TIHP Loan Committee, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

In response to an inquiry from Randall Evans, Mr. Helfeld indicated that the developer is subject to the Agency's affirmative action requirements and will be monitored.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (e) Mr. Helfeld indicated that a report has been received from the Budget Analyst's Office regarding the Agency's budget, to which Robert Gamble, Deputy Executive Director, has prepared a response.

Following a discussion between the Commissioners and staff, it was the consensus of the Commission that the Commissioners and

Mr. Helfeld meet with Deputy Mayor James Ho to clarify the Agency's role in Chinatown.

Mr. Gamble indicated he would keep the Commissioners advised on the budget proceedings.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos indicated that she would be attending a meeting of the Mission Task Force on June 24, 6:30 to 8:30 p.m., at the Women's Center at which she plans to provide an overview of what redevelopment does in housing and economic development. She noted that she does not intend to make any commitments for the Agency and will report back on the meeting.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Block 2 in Yerba Buena Center with the Center for the Arts at Yerba Buena Gardens; and

1028 Howard Street and 185 Seventh Street with Asian, Inc., Catholic Charities and Housing Development and Neighborhood Preservation.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There are three additional Closed Session items which arose subsequent to posting of the agenda on Friday, June 14, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON JUNE 14, 1991.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Embarcadero and Townsend Street (Site K) in Rincon Point-South Beach with BRIDGE Housing Corporation; and

easterly side of Keith Street at Hudson Avenue (Site X) in Hunters Point with Dukes and Dukes; and

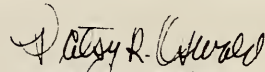
383 Eddy Street with Tenderloin Hotels Partnership.

Minutes of a Regular Meeting, June 18, 1991

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 2, 1991

SF
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#4
6/25/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JUNE, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of June, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- V. Fei Tsen, Vice President
- Sonia Bolanos
- Leroy King
- Gary Kitahata
- Haig G. Mardikian

DOCUMENTS DEPT.

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and the following was absent:

None

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Samuel Aaron Williams, California Minority Vendor's Bank; Geraldine Johnson; Al Bovice and Dave Jarrell, Housing Development and Neighborhood Preservation Corporation; Katherine Nash, WANA; Rich Sorro, Mission Hiring Hall; and Maria Acosta-Colon, Mexican Museum.

David Madway, Agency General Counsel indicated that a necessity arose after posting of the agenda on Friday, June 21, 1991 to add two items to the regular agenda and an additional Closed Session item. The items to be added to the Regular Agenda pertain to the Public Employees' Retirement System (PERS) and the Mexican Museum. The additional Closed Session pertains to real property negotiations with the Mexican Museum. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JUNE 21, 1991.

President Bagot announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property located at Third and Harrison Streets within the Yerba Buena Center Redevelopment Project Area and the entity the Agency may negotiate with is the Mexican Museum.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. King and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 4:05 p.m.

RECONVENED

At this time, 4:25 p.m., the meeting reconvened back to the regular session with the same roll call.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of May 28, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of April 30, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of May 7, 1991, as distributed by mail to the Commissioners, be approved.

With regard to the May 28, 1991 minutes, President Bagot inquired regarding the availability of the sign-up sheet from the Cala workshop attended by persons from the South Bayshore community which would be helpful in identifying residents and Mr. Suttle indicated affirmatively.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the Third Street Corridor Study is underway.

President Bagot requested a staff report on the new Federal Disability Law as it pertains to affordable housing.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff requests that item (h) on today's agenda providing for prepayment of furniture and telephone leases for the Agency's offices be continued to the meeting of July 2, 1991.
- (b) The Agency is in the process of defeasing the Hunters Point South School Lease Revenue Bonds. This defeasance will discharge the Agency's liability in respect to these bonds and the City will receive a check for \$48,000.
- (c) Staff will be printing an advertisement for bidders for the two cultural buildings on Central Block 2 in Yerba Buena Center and is planning to have bid documents available on June 28. The bid

opening is currently scheduled for mid-August with an award of a contract in the latter part of September.

- (d) The building at 1956-1960 Sutter Street, which is the old WAPAC building, has been demolished and the site is now being cleared. A fence will be put up after the site is cleared. This is the site where Amelia II will be constructed.
- (e) Robert Gamble, Deputy Executive Director, Finance, gave a status report on the Agency's budget and indicated that a hearing before the Finance Committee is scheduled for 1:30 p.m. on June 27, 1991.

Mr. Helfeld indicated that there were two Commissioners present at the hearing before the Finance Committee on June 20, at which the Center for the Arts at Yerba Buena Gardens Cultural Board made a presentation with the support of a number of speakers. Ms. Bolanos made an excellent presentation in explaining the Agency's support for the Cultural Board which was well received by Supervisor Gonzales. The written response prepared by the Cultural Center to questions raised by the Finance Committee has been provided to the Commission. A speaker at the hearing made a recommendation that the Agency be abolished which was not well received and President Bagot has written a letter to the President of the Board of Supervisors protesting this incident.

- (f) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) for businesses in the Fillmore Center and Bayview Plaza.

Ms. Tsen noted that if businesses drop-out it should not be seen as a failure of the program as it may be a business that cannot afford the capital at this point in time. She inquired what UEDC is doing to market the loan program and to get additional businesses into this process.

Mr. Suttle indicated that UEDC recently sponsored a meeting held at 1426 Fillmore Street, attended by 25 people, to encourage people to look at the Fillmore area in general and the Fillmore Center. There was also a tour to view the commercial space available.

Mr. Helfeld indicated that Mr. Ray Jones of UEDC, would be requested to attend the July 2, 1991 meeting to respond to questions from the Commissioners.

- (g) A very productive meeting was held on June 25 with three Commissioners, Deputy Mayor James Ho and David Chenok regarding Chinatown. The Mayor's Office is doing a fantastic job and the Task Force is moving rapidly. The Commissioners will be receiving the minutes of the meetings of the full Chinatown Task Force and its four sub-committees on a regular basis.

NEW BUSINESS - CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Letter Agreement in an amount not to exceed \$6,600 with the Department of Public Works of the City and County of San Francisco for Rehousing Inspection Services for the period July 1, 1991 through June 30, 1992; All Redevelopment Project Areas.
- (b) Authorizing a Letter Agreement in an amount not to exceed \$57,000 with the Department of Public Works of the City and County of San Francisco for Building Inspection Services for the period July 1, 1991 through June 30, 1992; All Approved Redevelopment Project Areas and certain housing sites outside any Redevelopment Project Areas.
- (c) Authorizing an Amendment to Resolution Numbers 165-90 and 175-90 to make certain equity pay adjustments to compensation for Agency staff for the period July 1, 1991 through June 30, 1992.
- (d) Authorizing an expenditure of funds in an amount not to exceed \$4,400 to Abbot Office Systems for purchase of shelving units for the Agency's Central Records Office.
- (e) Authorizing an expenditure of up to \$2,500 to purchase a Laser Printer, related equipment and software for the Housing Production and Management Division of the Agency.
- (f) Authorizing a Letter Agreement in an amount not to exceed \$4,000 with the Department of Parking and Traffic of the City and County of San Francisco for consultation services regarding traffic circulation during construction of Agency improvements in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (f), RESOLUTION NUMBERS 154-91 THROUGH AND INCLUDING RESOLUTION NUMBER 159-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (g) Public Hearing to hear all persons interested in the Deed and other conveyance instruments in connection with the sale of the Morgan Heights property to be acquired in escrow at 155 Cleo Rand Avenue to Rhonda L. Jones and Paul Jones; Morgan Heights.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (g), which requests authorization of execution of a Deed of Trust and other conveyance instruments in connection with the resale of 155 Cleo Rand Avenue in Morgan Heights to Rhonda and Paul Jones at a disposition price of

\$162,500 and provision of \$4,620 in additional deferred-payment secondary financing to make the purchase feasible. The Agency originally acquired the property from HUD which was then sold to BRIDGE Housing Corporation for construction of the Morgan Heights condominium development for qualified low and moderate-income purchasers. Subsequent to the death of the original purchaser of the unit, the Agency exercised its repurchase option and has now identified a qualified moderate income, first-time home buyer. The unit is subject to a long term affordability restriction of fifty years whereby subsequent owners will be required to repay the value of all subsidies received, plus interest or a share of appreciation. IMCO Realty Services, Inc. has approved the loan application for bond financing at favorable terms, however, an additional \$4,620 is needed to make the purchase feasible and staff recommends authorization to provide this amount as an addition to the Agency's deferred payment second mortgage.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Ms. Tsen noted that there are new affordability restrictions in effect for this unit which will keep it affordable for future generations.

President Bagot requested that when an item of this nature is before the Commission, a representative from San Francisco Housing Development Corporation be present to respond to questions.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests an expenditure for prepayment of furniture and telephone leases for the Agency's Office. It is recommended this item be continued to the meeting of July 2, 1991.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 161-91, WOULD BE CONTINUED TO THE MEETING OF JULY 2, 1991, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions on this item because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 4:45 p.m., President Bagot turned the Chair over to Ms. Tsen.

- (i) Mr. Helfeld introduced item (i), which requests conditional authorization of Exclusive Negotiations, until December 11, 1991, with Housing Development and Neighborhood Preservation Corporation for the development of affordable family rental

housing on the parcels located on the southeast corner of Seventh and Natoma Streets in the South of Market Earthquake Recovery Redevelopment Project Area.

- (j) Mr. Helfeld introduced item (j), which requests conditional authorization of Exclusive Negotiations, until December 11, 1991, with Catholic Charities, Archdiocese of San Francisco for the development of affordable family rental housing at 1028 Howard Street, located on the parcels on the north side of Howard Street between Sixth and Seventh Streets in the South of Market Earthquake Recovery Redevelopment Project Area.

HDNPC, Catholic Charities and Asian, Inc., responded to a Request for Qualifications (RFQ) issued for the development of these sites and made presentations at the June 4, 1991 Agency meeting. On May 31, the developers made presentations to the South of Market Problem Solving Council who recommended HDNPC for the Seventh and Natoma site and Catholic Charities for the 1028 Howard site. The development potential of the Seventh and Natoma site is 20 to 30 units and 30 to 45 units for the 1028 Howard Street site. The RFQ's were submitted on May 17 and staff has been evaluating the proposals since that time. Staff's recommendation is based on criteria used to evaluate the submittals which included: development and property management track-records; the experience of the development team members and participation in the team by MBE/WBE's; the ability to successfully leverage funds; and the level of community support. Although HDNPC has strong community support and is entering into a partnership with the West Bay Pilipino Multi-Service Corporation, staff is concerned because HDNPC has never applied for either tax credits or Rental Housing Construction Program (RHCP) funds. In this connection it is recommended that entering into exclusive negotiations with HDNPC be contingent upon their hiring a qualified financial consultant with experience in obtaining tax credits and RHCP funds no later than July 10, 1991. In addition, the property management plan needs to be more fully developed since West Bay has not previously owned or managed residential property and its staff would require extensive training before taking over the completed project from HDNPC. Approval of exclusive negotiations with both developers is conditioned upon certification of all members of the development team identified as MBE or WBE. Staff also recommends it be a requirement that application be made for the Fall 1991 round of RHCP funds and the first round of 1992 low-income housing tax credits.

Samuel Aaron Williams, California Minority Vendor's Bank, inquired if there are guarantees in writing on the level of African-American involvement in the two contracts because, if not, then the Agency is not in compliance with the Mayor's Executive Order Number 1.

Mr. Helfeld indicated that the Request for Qualifications (RFQ) included the Agency's affirmative action addendum and the RFQ

made it very explicit that the developers would have to follow that program.

Al Bovice, HDNPC, noted the African-American and MBE/WBE participation in HDNPC's development team. He indicated that because of bonding requirements the general contractor would most probably be white, however, it will be a requirement that MBE/WBE's be included in the sub-contracts.

Commissioners Tsen and King noted that this Commission is one of the leading Commissions in advocating affirmative action and these non-profits will be urged to follow the same MBE/WBE requirements as in all contracts.

Geraldine Johnson noted her support for the HDNPC project.

In response to an inquiry from Mr. Kitahata regarding staff concerns noted, Mr. Bovice indicated that it is anticipated a consultant will be selected by July 10 to assist in obtaining RHCP funds and tax credits. HDNPC is working closely with West Bay on a training program that will enable them to manage the property efficiently.

Mr. Bovice welcomed Ms. Bolanos to the Commission as the first Hispanic Commissioner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION 162-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (j), RESOLUTION NO. 163-91, BE ADOPTED.

At this time, 5:10 p.m., Ms. Tsen turned the Chair back to President Bagot.

- (k) Mr. Helfeld introduced item (k), which requests authorization of a Conditional Grant in an amount of \$817,037 to the City and County of San Francisco for rehabilitation of the Hamlin Hotel at 383 Eddy Street as part of the City-wide Tax Increment Program (TIHP). The Hamlin is one of four residential hotels in the Tenderloin occupied by very low income persons. In 1981, the City received an Urban Development Action Grant (UDAG) to assist in the acquisition and rehabilitation of the hotels, however, the partnership which owns the hotels has been in default on their mortgages since 1986. The first mortgage on the hotels was financed through a tax-exempt bond issue and if the bondholders foreclose, the City's affordability restrictions on the hotels would be eliminated. An arrangement has been negotiated by the Mayor's Office of Housing that would result in the hotels being transferred to a new joint venture partnership called Tenderloin Hotels, Inc. comprised of Chinese Community Housing Corporation and the Tenderloin Neighborhood Development Corporation. Part of the financing is a HUD Section 8 Moderate Rehabilitation

commitment for two of the hotels which requires that the rehabilitation be completed and the hotels opened by September 1992 or the City must return the original UDAG grant of \$817,037 for the Hamlin Hotel, which was rehabilitated but never opened. The Mayor's Office of Housing does not presently have sufficient non-federal funds to make this deposit to escrow by June 30, 1991, as required by HUD, but expects to have these funds by September 1992. The Agency would place the funds in escrow as a conditional grant, not to be disbursed to HUD unless the rehabilitation is not completed by September 1992, and if the funds are not replaced by the Mayor's Office of Housing. The affordability requirements negotiated provide that all the units be kept at very low income rents and the length of affordability will be extended from 1997 to the year 2041. The loan has been approved by the TIHP Loan Committee, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

Sam Aaron Williams, California Vendor's Bank, inquired regarding the level of involvement of African-Americans in the project and Mr. Helfeld indicated that the contract for seismic work would be performed under the supervision of the Human Rights Commission.

Katherine Nash noted her support of Mr. Williams for speaking on behalf of African-Americans.

Mr. Kitahata indicated that it was his understanding from Deputy Mayor Brad Paul that in the worse case scenario there would be OHPP money to replace the current funds and inquired if that would be part of the agreement.

Bill Rumpf, Chief, Housing Production and Management, indicated a Draft Agreement has been received from the Mayor's Office of Housing indicating payment will be made by September 30, 1992 or at a later date with any interest that accrues in the escrow.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-91 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which requests authorization of an Agreement with Mission Hiring Hall/South of Market Employment Center to administer a Job Placement Program funded with \$600,000 from the renegotiation of the Marriott Hotel Lease in connection with Yerba Buena Center. The process and agreements have been developed in close coordination with the Hotel Advisory Committee which is comprised of representatives from local community-based organizations and with whom the Agency has been working since 1989 on issues relating to hiring at the Marriott Hotel. The \$600,000 would be used to assist qualified community-based organizations in placement of jobs with employers in the South of Market area and staff has worked with the Advisory Committee to develop a specific program for disbursement of the funds. A payment schedule for each job placement has been established which will determine the amount of reimbursement and an invoice will be submitted to the Agency on a monthly basis as well as

monthly reports documenting job placement activities and reimbursements paid. \$100,000 is the annual maximum for job placement reimbursement. A maximum of \$25,000 has been allocated for employment workshops which will be held at the discretion of the participating community-based organizations, subject to Agency approval.

In response to an inquiry from President Bagot, Rich Sorro, Mission Hiring Hall, indicated that the Mayor's Office of Community Development will be monitoring economic development activities.

In response to inquiry from President Bagot, Mr. Helfeld indicated that these are not Community Development Block Grant funds and do not have any restrictions except for compliance with State law and those contained in the agreement with Marriott.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-91 BE ADOPTED.

- (m) Mr. Helfeld introduced item (m), which requests authorization of a Sixth Amendment, which increases the amount payable by \$121,000 and makes other changes, to the Architecture Agreement with James Stewart Polshek and Partners in connection with the design of the Yerba Buena Gardens Theater in Yerba Buena Center. The additional funding will provide for: design programming of the theater's furnishings, fixtures and equipment; preparation of an early structural steel package which will permit structural steel fabrication to proceed prior to the full building contract; relocation of the building's elevator shaft to better integrate the theater's upper lobby with the upper terrace of the Esplanade; revision of the construction documents to include additional items requested by the Cultural Operating Board; and provision of contingency funds for additional services which may be required during the construction phase of the work. The amendment also revises the contract's affirmative action exhibit to reflect these changes and updates the performance schedule and hourly rates schedule. The amendment increases the amount payable by \$121,000 for a total contract amount of \$1,854,500. Payment will be made from the Furnishings, Fixtures and Equipment and Design contingency funds which are included within the overall theater and furnishings, fixtures and equipment project budget of \$19,969,500. Approximately two-thirds of the additional services amount will be paid to Polshek and the other third will go to various technical consultants.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-91 BE ADOPTED.

- (n) Mr. Helfeld introduced item (n), which requests approval of artwork proposals developed by four artists for the Esplanade in Yerba Buena Center. The artwork proposals were presented by the artists at a public workshop on June 18 and have been reviewed at several stages by the Agency's architects and Artist Selection

Panel, the Art Commission's Visual Arts Committee, Olympia & York, the Museum of Modern Art, Friends of the Gardens and City Planning staff. The basic objectives of the Esplanade Art Program include: addressing San Francisco's multi-cultural community; referencing an Ohlone cultural site; engaging children's play and imagination; contributing a strong sense of fun, whimsy and playfulness. To achieve these objectives: John Roloff proposes a green glass ship which appears to be sinking into the surface of the park which is reinforced by several small glass viewing ports which, if technically feasible, would penetrate through the Moscone Convention Center roof; Jaune Quick-to-See Smith proposes a ring of stones reminiscent of the round house forms of the Ohlone people who once inhabited the site which are placed to provide an opportunity for contemplation and the meditative quality is further enhanced by a crescent pool of water framed by tule plants and a fence inlaid with various woods in patterns derived from Ohlone artists; Reiko Goto proposes to create a butterfly environment of plantings which are being integrated into a symbolic rock mountain area to attract various species; Terry Allen proposes a "shaking man" which attempts to capture a sense motion in a realistic bronze figure. Upon approval by the Commission, the artwork will be incorporated into the Esplanade's final construction documents which are scheduled for completion this summer.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-91 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) James Nybakken, Administrative Services Officer, introduced item (a), which is Resolution Opposing Removal of Public Employees' Retirement System (PERS) Reserve Fund Assets, changes in Actuarial Assumptions and changes to the Composition of the PERS Board. Governor Wilson has proposed a number of measures affecting PERS in order to balance the current State budget and to gain future control of the PERS Board. Staff believes these changes are detrimental to the long term viability of the pension fund and by extension to the Agency and its employees. The resolution expresses support for the PERS Board's proposed approach, which would provide the transitional funding required by the State while still maintaining the independence of PERS as a trust held by a non-partisan board for the benefit of employees, retirees and annuitants. The Retirement System has been exceptionally well managed over the years. The Governor's and Legislature's attempt to strip the reserve fund and reconstitute the Board are unlikely to result in any positive long term benefit for either members or for contracting entities such as the Agency.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which expresses the intention of the Agency, in partnership with the Mexican Museum, to develop

permanent exhibition and administrative space for the Museum in an appropriate location within the Yerba Buena Center Project Area and proximate to the Cultural Facilities in Yerba Buena Gardens; authorizes the Executive Director to assign staff resources to provide such assistance and committing the Agency to advocate for, and assist in, implementing a capital program, subject to funding.

Mr. Helfeld introduced Maria Acosta-Colon, President of the Mexican Museum, who indicated that the Museum Board is looking forward to a cooperative working relationship with the Commission and staff. She noted that Ms. Bolanos has been instrumental in discussions regarding finding a new site for the Museum.

Ms. Bolanos noted her pleasure at the resolution now before the Commission and that it is expected a Memorandum of Understanding will be before the Commission for consideration within thirty days. The Mexican Museum is a cultural facility, not only of importance to the Latino community but one that enhances the cultural diversity of San Francisco. This important step tonight is consistent with the Agency's commitment to multi-culturalism in Yerba Buena Center. In essence, the Agency is building the foundation for making San Francisco a truly unique cultural city. The Mexican Museum not only brings a different facet of an ethnic community, but has also been instrumental in bringing art to children, and it is important for the Mexican Museum to stay in the City. It is also important that the Mexican Museum makes sure the Agency gets the funds necessary to assist in this endeavor.

Ms. Tsen noted that the Commission welcomes the Museum which adds a wonderful component to the cultural activities in the Yerba Buena Center project. However, funds are limited and all parties will need to work closely to get new funding and this should be addressed in the Memorandum of Understanding.

In response to a request from President Bagot, Ms. Acosta-Colon indicated she would provide informational material on the Museum to the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos indicated that she and Mr. Helfeld had attended a meeting of the Mission Task Force at which she provided an overview of the Agency's policies and programs and Mr. Helfeld explained the source of Agency funds and what redevelopment is all about.
- (b) President Bagot requested that staff memorandum on CDBG Guidelines be sent to the African-American Coalition and to Geraldine Johnson.

- (c) In response to an inquiry from President Bagot regarding the ability to spend program funds for the Chinatown Task Force, Mr. Helfeld indicated that Larry Del Carlo of the Mayor's Office of Community Development will be the local expert determining program eligibility.
- (d) In response to an inquiry from President Bagot, Mr. Helfeld noted that Deputy Mayor Claude Everhart is calling together a group of fund raisers on an emergency basis to enable the Minority Television Project to take over the television station when KQEC/KQED relinquishes control.

In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated the Agency has been requested to explore the possibility of a loan or a grant of \$500,000. Staff will analyze this request and report back to the Commission.

Ms. Bolanos noted that clarification is needed as to how this project is consistent with the Agency's Economic Development Policy.

President Bagot requested a Board of Directors list and a list of the proposed Advisory Board Members for the Minority Television Project.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (h) A photograph of each Commissioner is needed for inclusion in the Agency's 1991-1992 Annual Report.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (e) Jerry Allen, Executive Director of the Center for the Arts at Yerba Buena Gardens, gave an overview of major concerns raised by the Finance Committee at the June 20, 1991, hearing on the Agency's budget. He also responded to questions raised by Dino Di Donato in a letter dated June 25, 1991, addressed to Supervisor Gonzales regarding plans for the Center.

Following discussion, it was the consensus of the Commission that a workshop be held in conjunction with a community-based forum on the Cultural Center plans in the near future.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group.

Minutes of a Regular Meeting, June 25, 1991

There are four additional Closed Session items which arose subsequent to posting of the agenda on Friday, June 21, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON JUNE 21, 1991.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

241 Sixth Street with N. Patel; and

126 Sixth Street, 1009 Mission Street and 514 Minna Street with N. Patel; and

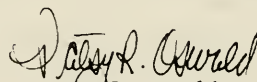
northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties-VII; and

parcels bounded by Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to six Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 30, 1991

SF
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#4
7/2/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JULY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of July, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata

DOCUMENTS DEPT.

and the following was absent:

Haig G. Mardikian

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: L. Andrew Jeanpierre, Chairman of the Board of Directors, and Ray Jones, Executive Director, Urban Economic Development Corporation; Lefty Gordon, Ella Hill Hutch Community Center; Fred Jordan, President, San Francisco Black Chamber of Commerce; Mignon McGregor; Bob Davis, Fillmore Center; Arnold Townsend; and David Brigude, Community Housing Partnership.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 4, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 11, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 18, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 14, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot indicated that it is intended to complete the regular agenda and the closed sessions by 7:00 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency's budget was approved the Finance Committee on June 27 and will be before the full Board of Supervisors on July 8. Commissioners Bagot and Bolanos were at the Finance Committee meeting at which the major issues raised by Budget Analyst Harvey Rose were satisfactorily addressed.

Ms. Bolanos noted she had addressed the Committee on the status of the Yerba Buena Gardens Cultural Center Operating Board. She indicated that the Agency would do a total review of issues raised in the last several weeks about the Agency's relationship with the Operating Board and report back to the Finance Committee in six months.

Mr. Helfeld indicated that it would be helpful if the Commissioners could contact members of the Board of Supervisors regarding the Agency's program prior to the hearing on the Agency's budget on July 8.

President Bagot indicated that there will be a workshop in the near future in conjunction with the Cultural Center.

- (b) With regard to a retreat for the Commissioners, the facilitator recommended by two of the Commissioners is on vacation until July 15 and it needs to be determined whether to wait until she returns or contract with another facilitator.
- (c) The Fillmore Center has received the Golden Nugget Award Best-in-the-West mixed-use development category in the fourteen western states presented by the Pacific Coast Builders and Architects. There are five other developments competing in this category, one of which was Delancey Street who received a special award for a residential infill project.
- (d) The Commissioner have been provided with a two year report on the Affordable Housing City-wide Tax Increment Program.

President Bagot commended the Agency's housing staff.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to prepay an amount of \$632,000 for Furniture and Telephone Leases for the Agency's Offices at 770 Golden Gate Avenue. In order to avoid future lease payments and additional interest costs associated with future lease payments, it is proposed to exercise

the option to prepay the leases which will result in a savings of \$102,000. This will necessitate an increase in the budget for the current year with the source of funds being a portion of the funds created from the Opera Plaza asset sale earlier this year. While this may appear to be a difficult allocation in comparison to competing uses for the funds, it is important to remember that the proposed action will actually save money for these competing uses over the next five years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-91 BE ADOPTED.

NEW BUSINESS

- (a) Gene Suttle, Senior Deputy Executive Director, introduced item (a), which requests authorization of a First Amendment to the Personal Services Contract with Urban Economic Development Corporation (UEDC) for Technical Assistance Services in the Western Addition A-1 and A-2, India Basin and Hunters Point Project Areas in an amount not to exceed \$105,000 for the period July 1, 1991 to December 31, 1991. The initial contract was approved in 1987 for the purpose of providing business technical assistance services to small business owners in commercial projects sponsored by the Agency. Services provided by UEDC include loan packaging, financial and market analyses and business plan development. The funding amount for the prior fiscal year was \$220,000 and \$105,000 is now being requested for a six month period. Because of audit findings, Housing and Urban Development (HUD) is closely monitoring the way Community Development Block Grant (CDBG) funds are administered. In order to comply with HUD guidelines a method has been developed to improve the efficiency of the City-wide economic development services, the Mayor's Office of Community Development (MOCD), The Mayor's Office of Business and Economic Development (MOBED) and the Agency have developed a method to comply with HUD guidelines to improve the efficiency of City-wide economic development services. To implement this method, it is proposed that the Agency adopt the reporting period used by MOCD for the calendar year January through December which will allow the Agency to: incorporate the proposed development process used by MOCD; conform to HUD's requirements that CDBG funds be publicly announced; and incorporate the Citizens Review Process used by MOCD to comply with HUD guidelines. In addition, the coordination between the three agencies will eliminate multiple contracts with single service providers, centralize reporting for fiscal accounting and improve program oversight and monitoring. Under the proposed change, the Commission will retain responsibility for establishing policy objectives, work programs, performance goals and funding amounts. Although some goals have been achieved, staff considers UEDC's overall program performance to be fair, however, it has been affected by significant staff changes during the first half of the contract year. A new Executive Director was hired during the second quarter of the contract and a full staff of four were hired in March. Staff has been working closely with the board and staff during the past

several months and has developed a number of work tasks for UEDC in areas that need improvement and UEDC has demonstrated improvements in meeting their program work plan and goals in the last several months.

L. Andrew Jeanpierre, Chairman of the Board of Directors, and Ray Jones, Executive Director, UEDC, made presentations.

The following persons spoke in support of item (a): Fred Jordan, President, San Francisco Black Chamber of Commerce; and Mignon McGregor.

Mr. Jordan noted that the Chamber has a close working relationship with UEDC.

The Commissioners indicated they were pleased Mr. Jeanpierre is now the Chairman of the Board of Directors of UEDC, but noted that their performance needs to be improved during the next six month term of the contract.

Ms. Tsen noted her concern that the Agency has been criticized by the African-American community and the Commission and staff need to work more closely with UEDC to ensure the assistance needed is provided. She indicated that it is important for the Commissioners to know more about the daily operations in order to better understand how the Agency can assist and indicated a willingness to visit UEDC's offices. In addition, she would like to see UEDC make quarterly reports as do other service providers.

In response to an inquiry from Ms. Bolanos, Mr. Jones noted the other African-American organizations with whom UEDC works.

In response to an inquiry from President Bagot, Mr. Jeanpierre indicated that two new business are proposed each month.

President Bagot indicated he agreed with Ms. Tsen that it would be helpful for the Commissioners to visit UEDC's offices to observe the day-to-day operations and for UEDC to provide quarterly reports.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Third Amendment to the Personal Services Contract with Ella Hill Hutch Community Center (EHHCC) for employment services in the Western Addition A-1 and A-2 in an amount not to exceed \$133,000 for the period July 1, 1991 to December 30, 1991. The initial contract was approved in 1986 to provide construction services to assist contractors and sub-contractors to comply with the Agency's Affirmative Action Program in the Western Addition. The funding amount for the prior fiscal year was \$252,080 and \$133,000 is now being requested for a six month period. This represents a 5.5 percent increase which is attributable to a cost of living increase for personnel. As indicated in the

presentation for item (a), the Agency will be working with MOCD and MOBED in order to comply with HUD guidelines and improve the efficiency of City-wide economic development services. During the past eleven months EHHCC have continued to improve program delivery and staff has worked with them to further develop the general employment program. They have been particularly successful with the apprenticeship program.

Lefty Gordon made a presentation on behalf of EHHCC.

The following persons spoke in support of item (b): Bob Davis, Fillmore Center; and Arnold Townsend.

Ms. Tsen noted that EHHCC has performed admirably during the past year and is an example of how economic development dollars can be spent effectively.

President Bagot noted that the same policies in terms of benefits for the community and minority residents should apply to all City developments and not just to Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Second Amendment to the Construction Management Contract with Turner Construction Company in connection with Yerba Buena Center. Turner has been providing construction management services during the design period for the CB-2 use and are also the construction management team for the Moscone Convention Center expansion. Their services have been invaluable in coordinating the Moscone construction with the Agency's projects. The amendment increases the amount payable by \$2.4 million which will allow Turner to provide the requisite construction management services for all of the Agency's CB-2 projects which include the Visual Arts Center, the Yerba Buena Theater, the Esplanade and the East Garden for the period through completion of design, bidding, construction, testing and inspection and post construction. This results in a total contract amount of \$3.295 million which is within the allocated amount for these services in the overall Yerba Buena Gardens budget. This represents 5 percent of the Agency construction budget which is what the City paid for similar services on the Moscone expansion project. The amendment also extends the contract term from May 1, 1991 to project completion. Staff finds Turner's affirmative action program acceptable.

Jack Quinn, Turner Construction, responded to questions from the Commissioners regarding the firm's affirmative action program. He noted that Turner has been working with the Human Rights Commission. Difficulty has been encountered in meeting the WBE goal due to lack of input for technical assignments, but it is hoped to correct this by looking at other professions such as accounting or clerical.

President Bagot requested Mr. Quinn check with the Commission on the Status of Women regarding hiring a WBE and also report back to the Agency Commission regarding WBE's before construction starts.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THE RESOLUTION NO. 172-91 BE ADOPTED.

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests authorization to expend an amount not to exceed \$800,000 for acquisition of 241 Sixth Street known as the Anglo Hotel site for the development of affordable housing in the South of Market Earthquake Recovery Redevelopment Project Area.
- (e) Jack Robertson, Housing Development Specialist, introduced item (e), which requests authorization to expend funds not exceed \$1.2 million for the acquisition of 126 Sixth Street, 1009 Mission Street and 514 Minna Street known as the Henry Hotel Site for the development of affordable housing in the South of Market Earthquake Recovery Redevelopment Project Area.

In April 1991, the Agency entered into two separate purchase agreements with the seller who owns both sites. The escrows for both sites are scheduled to close on July 10, 1991, however, the owner has requested an extension from July 10 to August 30, 1991 on the Henry Hotel site. Since acquisition is contingent upon no significant hazardous materials being identified, staff finds this acceptable because it will allow time for the Agency to complete its hazardous waste assessment. In addition, Tenants and Owners Development Corporation (TODCO) has been selected to develop the Anglo Hotel site, but a developer has not yet been selected for the Henry Hotel site. TODCO proposes to construct 140 Single Room Occupancy (SRO) units and has already applied to the State's California Natural Disaster Assistance Program (CALDAP) for approximately \$4 million. In order to be eligible for low-income tax housing tax credits to provide the balance of the project financing, an LDA needs to be executed in order to demonstrate site control. It is anticipated an LDA will be before the Commission for consideration on July 30, 1991. The purchase prices for both sites are within the appraised market value of the properties and their acquisition is subject to removal of those contingencies mentioned.

Dino Di Donato, South of Market Problem Solving Council, indicated that the Council have endorsed both of the sites for purchase. The community is not opposed to the projects but more discussion is needed on what the project will be for the Henry Hotel site. One group wants to focus on rehabilitation of existing buildings on 6th Street rather than new construction.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Second Amendment to the Agreement with Environmental Science Associates, Inc. (ESA) for additional consulting services in connection with the preparation of an Environmental Impact Report (EIR) for the City's Enterprise Zone Application. Environmental Science Associates prepared the draft EIR that accompanied the City's Preliminary Application which resulted in the City's designation by the State as an Enterprise Zone. It is now necessary to prepare the Summary of Comments and Responses on the Draft EIR which will be incorporated to form the final EIR for the Enterprise Zone. The proposed amendment increases the amount payable by \$35,000 for a total contract amount of \$217,500. The firm's affirmative action program is considered satisfactory.

Ms. Tsen noted that the details on affirmative action program provided to the Commission indicate only changes and not the overall composition of the firm.

Mr. Helfeld requested this item be continued to the meeting of July 9, 1991, when the requested information will be available.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 175-91, WOULD BE CONTINUED TO THE MEETING OF JULY 9, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Carol Anderson, Housing Development Specialist, introduced item (g), which requests authorization of a \$1.175 million Regulatory Grant Agreement and a \$301,667 Loan Agreement to Community Housing Partnership (CHP) for the acquisition and rehabilitation of 87 units of affordable housing in the Senator Hotel located at 519 Ellis Street as part of the City-wide Tax Increment Housing Program (TIHP). CHP is a new housing development corporation dedicated to developing permanent housing with supportive services affordable to homeless individuals and families and was created through a collaborative effort of the City and non-profit and homeless groups. The project has been awarded a Section 8 Moderate Rehabilitation contract which will allow all residents to pay only 30 percent of their income towards rent. The Senator Hotel is one of two projects currently being developed by the sponsor. CHP proposes to purchase this 114 unit tourist and residential hotel and convert it into 87 units of supportive housing for homeless singles and small families. Rehabilitation will include upgrade of electrical systems, handicapped accessibility, installation of community kitchens on each floor, security improvements and other necessary repairs. The sponsor is implementing the Agency's affirmative action program and is following the Agency's affirmative outreach procedures to provide opportunities for MBE/WBE contractors and has included resident hiring goals for certain trades as part of its efforts to provide vocational training for homeless individuals. The TIHP Loan Committee has approved the requested amounts, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

David Brigude, Community Housing Partnership, requested approval of item (a).

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot regarding \$1 million from FEMA in connection with the October 1989 earthquake, Bill Rumpf, Chief, Housing Management and Production, indicated that this had been rescinded except for \$100,000.

In response to an inquiry from Ms. Tsen regarding the amount of earthquake funds San Francisco has received, Deputy Mayor Brad Paul indicated that he would obtain this information from John Suchich who is the City in-house expert on FEMA Programs.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

parcels bounded by Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street in the Western Addition A-2 with Fillmore Center Associates; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

Central Block 2 in the Yerba Buena Center with the Center for the Arts at Yerba Buena Gardens.

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) regarding threatened litigation.

There are three additional Closed Session items which arose subsequent to the posting of the agenda on Friday, June 28, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON JUNE 28, 1991.

Two of these items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Minutes of a Regular Meeting, July 2, 1991

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

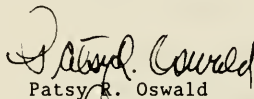
northeast corner of Third and Harrison Streets in Yerba Buena Center with the Mexican Museum.

The third item is pursuant to Government Code Section 54956.9(a) regarding threatened litigation.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms Tsen, and unanimously carried that the meeting be adjourned to six Closed Sessions on Real Property Negotiations and two Closed Sessions on threatened litigation. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

July 30, 1991

SF
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7/9/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JULY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of July, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Haig G. Mardikian

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and the following was absent:

Gary Kitahata

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present was: David Ish, Editor, New Fillmore Newspaper.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff recommends that item (e), authorization of a Regulatory and Grant Agreement in an amount of \$190,000 to Hospice by the Bay, be continued for one week.
- (b) The Agency's 1991-1992 budget was approved by the full Board of Supervisors on July 8, 1991.
- (c) On July 10 at 2:00 p.m., the Finance Committee of the Board of Supervisors will consider increasing the Real Estate Property Transfer Tax to \$3.75 per \$500.00 of value with an exemption for sales to first-time homebuyers.

President Bagot noted that this would be a resource for affordable housing.

- (d) Staff are in the process of contacting the Commissioners to arrange visits to the offices of Urban Economic Development Corporation (UEDC) to observe the daily operations. The Commissioners that attend will be meeting with UEDC staff and Mr. Jeanpierre, President of UEDC Board of Directors.

Minutes of a Regular Meeting, July 9, 1991

- (e) On July 2, Cala Foods signed the lease with the Agency for a supermarket in the South Bayshore which will open in early November. The first meeting of the Cala Job Screening Committee is scheduled to convene on July 18, following which they will conduct job interviews. Cala will also provide job training at the Southeast Community College in early September.
- (f) In response to Ms. Tsen's inquiry regarding FEMA funding to the City for earthquake relief, Bill Rumpf, Chief, Housing Production and Management, advises that the person he needs to get information from is away until July 15. Mr. Rumpf will report back to the Commission when the information is obtained.
- (g) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) for businesses in the Fillmore Center and Bayview Plaza.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the Agreement with Environmental Science Associates, Inc. (ESA) for additional consulting services in connection with the preparation of an Environmental Impact Report (EIR) for the City's Enterprise Zone Application. Environmental Science Associates prepared the draft EIR that accompanied the City's Preliminary Application which resulted in the City's designation by the State as an Enterprise Zone. It is now necessary to prepare the Summary of Comments and Responses on the Draft EIR which will be incorporated to form the final EIR for the Enterprise Zone. The proposed amendment increases the amount payable by \$35,000 for a total contract amount of \$217,500. Additional information requested at the July 2 meeting on the firm's affirmative action program has now been provided to the Commission.

Mr. King noted his opposition to this item.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MR. KING OPPOSED, THAT RESOLUTION NO. 175-91 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

At the request of David Ish, Editor, New Fillmore Newspaper, President Bagot indicated that item (b) would be removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing two staff persons to travel to Los Angeles, California, August 4 through 6, 1991 to attend computer software training classes, at a total cost not to exceed \$650.

- (c) Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$15,000 for design and construction inspection services; Hunters Point Naval Shipyard.

ADOPTION: IT WAS MOVED BY MR. MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (c), RESOLUTION NUMBERS 177-91 AND 179-91 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) David Madway, Agency General Counsel, introduced item (b), which authorizes an expenditure of funds not to exceed \$1,900 to publish a summons required by the McEnerney Act to establish title to 1881 Bush Street, Assessor's Block 674, in the Western Addition A-2. He explained that during the 1906 earthquake, the City's land records were destroyed. The McEnerney Act, which requires that land boundaries in question be published six times in a widely circulated newspaper, was enacted to remove any questions as regards to boundaries. The small strip of land at 1881 Bush is such a property.

Mr. David Ish, Editor of the New Fillmore Newspaper, suggested that beyond the legal requirements of the McEnerney Act, the Agency might consider publishing the boundaries of 1881 Bush in his newspaper, which is probably more widely read by residents of the neighborhood than legal notices in broadly circulated newspapers.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-91 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a Sublease Agreement with San Francisco Mini Storage for a portion of Pier 40; Rincon Point-South Beach.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (d), which requests authorization of the execution of a Sublease with San Francisco Mini Storage (SFMS) for a portion of Pier 40 in Rincon Point-South Beach. SFMS currently has a license from the Port of San Francisco to conduct its mini storage and truck rental business on Site K and other Port properties. For the Site K development to proceed, SFMS has to be relocated. The proposed two-year sublease will be a temporary relocation measure, while a permanent site is located for the entire business operation. The City will only pay for a single relocation of a tenant. Inasmuch as the Agency's need to take possession of Site K could not be postponed until a permanent site could be located, the Agency will be responsible for the relocation of the portion of the business operations in Pier 40 to the permanent relocation site at the end of the sublease term. The annual rent for the two-year term of the lease will be \$50,000. When the Agency obtains control of the

Minutes of a Regular Meeting, July 9, 1991

southern portion of the Pier 38 Bulkhead Building, which is inside the project area, the Sublease Agreement provides that the owner of SFMS will be offered approximately 950 square feet for an office location on the Embarcadero to provide the visibility he has at the current location.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e) which requests authorization of a Regulatory and Grant Agreement in the amount of \$190,000 to Hospice by the Bay for the rehabilitation of 51 units of affordable housing, located at 141 Leland Avenue and 5-11 Peabody Street, as part of the Citywide Tax Increment Housing Program (TIHP). It was recommended that this item be continued to the meeting of July 16, 1991.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 180-91, WOULD BE CONTINUED TO THE MEETING OF JULY 16, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

1215 Scott Street in the Western Addition A-2 with Joe and Linda Macias; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

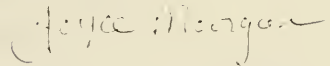
northeast corner of Third and Harrison Streets in Yerba Buena Center with the Mexican Museum.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations. The meeting adjourned at 4:30 p.m.

Minutes of a Regular Meeting, July 9, 1991

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Morgan".

Joyce Morgan
Acting Agency Secretary

APPROVED

August 6, 1991

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7/16/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF JULY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:45 o'clock p.m. on the 16th day of July, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following were absent:

V. Fei Tsen, Vice President (Arrived 4:55 pm)

Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Cliff Berg, Hospice by the Bay; Lefty Gordon, Ella Hill Hutch Community Center; Al Norman, Board of Directors, Young Community Developers; Rich Sorro, Mission Hiring Hall; Ocie Mae Rogers; Jano Oscherwitz, Local 790; M. Mahoney, San Francisco Police Department; Clara Rogers and Carolyn Roberts, Young Community Developers; Katherine Nash, WANA; and Joe Macias.

Representing the press was: Gerald Adams, San Francisco, Examiner.

APPROVAL OF MINUTES

- (a) It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 28, 1991, as distributed by mail to the Commissioners, be approved.
- (b) It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of June 4, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

Minutes of a Regular Meeting, July 16, 1991

- (a) On August 9, 5:30 to 8:00 p.m., a Retirement Party will be held for Pat Nacey, in the Club Room of the Delancey Street Foundation at 600 The Embarcadero.
- (b) On July 15, 1991, the Board of Supervisors voted unanimously to add a small triangular Caltrans-owned parcel to the Northeastern Waterfront Survey Area in Rincon Point-South Beach. This is the 3,400 square foot lot which is proposed to be added to Site C-1 to create a more regular and complete development parcel. The next required action will be for the City Planning Commission to add the parcel to the Project Area and amend the Preliminary Redevelopment Plan.
- (c) On July 11, the City Planning Commission heard from several community organizations and individuals who were concerned about the proposed South Bayshore Community Plan and its supporting environmental Negative Declaration. At the suggestion of the Planning Director, the Negative Declaration was withdrawn. The City Planning Commission acted to set both the South Bayshore Community Plan and the Negative Declaration for a public hearing on August 22, 1991. As the Commissioners will recall, the Agency has been working with the City Planning Department as the lead on the neighborhood plan and the establishment of a survey area has been suggested. In the meantime, an economic study is underway with the community on the Third Street Corridor.
- (d) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) for businesses in the Fillmore Center and Bayview Plaza.

Ms. Tsen arrived at this time, 4:55 p.m., during Mr. Suttle's report.

UNFINISHED BUSINESS

- (a) Carol Anderson, Housing Development Specialist, introduced item (a), which requests authorization of a Regulatory and Grant Agreement in an amount of \$190,000 to Hospice by the Bay for the rehabilitation of 51 units of affordable housing, located at 141 Leland Avenue and 5-11 Peabody Street, as part of the City-wide Tax Increment Housing Program (TIHP). Hospice by the Bay has purchased three apartments and a former dental office for conversion into 51 units of group housing for persons with AIDS/ARC or HIV infection. Financing for the project includes \$1.260 million from the State of California Housing Rehabilitation Program and \$1.250 million from TIHP. The Sponsor has also applied for \$200,000 in McKinney Act Permanent Housing for the Handicapped Program funds to complete financing of the project. An additional \$190,000 is being requested to close a financing gap due to higher construction bids than anticipated and this conditional commitment will permit construction to commence in August 1991. However, the grant will not be funded if the sponsor receives the McKinney Act funds. The TIHP Loan Committee recommends approval of this grant request on the condition that the project sponsor exhaust all other resources

prior to funding the grant and that the grant amount will be reduced on a dollar-for-dollar basis by the amount of additional funds received by the sponsor. The TIHP Loan Committee has approved the grant; however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

President Bagot requested the San Francisco Coalition for the Homeless be notified when items concerning affordable housing projects in which services will be provided to the residents are on the agenda. He noted that non-profit organizations are subject to the same affirmative action requirements as other developers.

Mr. Suttle indicated that there are affirmative action requirements for this project and a Black contractor, Ernie Lowe, has been selected.

In response to an inquiry from President Bagot, Cliff Berg, Hospice by the Bay, indicated that for persons on social security, the rent will be 30 percent of their income.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-91 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Eighth Amendment to the Agreement for Legal Services with Erickson, Beasley & Hewitt in connection with All Redevelopment Project Areas. This law firm has been providing excellent legal services to the Agency since 1980 in litigation matters and in connection with a number of issues including: housing discrimination; arbitration and negotiations for the Cala supermarket in the South Bayshore; and new affirmative action guidelines for the Agency since the Supreme Court's Croson decision. They also represented the Agency in litigation and continued affirmative action negotiations related to the Marriott Hotel which has resulted in voluminous hours. The proposed amendment increases the amount payable by \$75,000 for a total contract amount of \$248,000 to cover outstanding billings of approximately \$20,000 and provide for future services. The firm's hourly rates have been exceptionally reasonable and a modest increase is now being requested. Erickson, Beasley & Hewitt is a San Francisco-based minority and woman-owned law firm with a highly satisfactory affirmative action record.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests the Agency adopt a position supporting State Legislative Bills: State Constitutional Amendment 17 (SCA 17), Senate Bill 593 (SB 593) and Assembly Bill 2204 (AB 2204). At the request of President Bagot, staff has analyzed several legislative bills that would

affect affordable housing. SCA 17 (Calderon) would change Article 34 of the State Constitution which currently requires that cities obtain voter referendum approval to build public housing and other low-income housing meeting certain characteristics. The change would require those who want to challenge a low-income housing project to first collect signatures to put the issue on the ballot. San Francisco has Article 34 authority from two referenda passed in the mid-1970s authorizing several thousand low-income housing units, but this authority will expire in the next year or two. The proposed change would remove a significant barrier that places a more onerous legal and procedural requirement on affordable housing that is not placed on other housing development and would shift the burden for Article 34 referenda from local governments to opponents of specific projects. Passage of SCA 17 would modify Article 34 on the November 1991 ballot. SB 593 (Roberti) would place \$500 million in general obligation bonds for affordable housing on the June 1992 ballot. These funds would replenish the State Rental Housing Construction Program, California Housing Rehabilitation Program, and other subsidized housing finance programs that San Francisco has used heavily in the past several years. The passage of this bill would help the Agency leverage its tax increment funds for affordable housing. SB 2204 (Cannella) would require owners of Section 8 projects who terminate their Section 8 contracts to offer lease extensions of up to three years for qualified elderly and low-income residents at affordable rent levels. This bill would apply to the existing HUD-subsidized developments, and is intended to reduce displacement in projects where the owner is choosing to opt-out of the low-income use requirements. Agency positions of support would be transmitted to the City's State Legislation Committee with a recommendation that the City adopt an official position of support. The Committee includes representatives of the Mayor's Office, the Board of Supervisors, the Chief Administrative Office and the City Attorney.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-91 BE ADOPTED.

- (c) Requests authorization of a Loan Modification Agreement with Joe and Linda Luevano Macias for 1215 Scott Street in the Western Addition A-2. This unit was purchased in 1983 as one of 37 Victorian condominiums sold through the Agency's Affordable Condominium Program. The buyers went into foreclosure on their first mortgage due to a series of short term financial difficulties. First Nationwide Bank, the servicer of the Agency's second loan on the property, advanced approximately \$10,500 to cure the default and preserve the Agency's security. The buyers wish to reimburse the Agency over a three year period for the funds advanced and staff recommends modifying their Loan Agreement to allow payment in this manner. Staff believes that the difficulties which resulted in the foreclosure are short-term and that the Macias' income is sufficient to meet their monthly expenses as well as the three-year repayment schedule they have proposed to reimburse the Agency for curing their default. The

Agency's repurchase option expired on the home in August 1990. However, they have agreed to reinstate the repurchase option for an additional seven-year period in consideration of the Agency's agreement to the work-out plan proposal.

Ms. Tsen noted she would abstain from voting on this item as she has a conflict of interest because she is a property owner within the vicinity of 1215 Scott Street.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 184-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests approval the Agency's Final Budget for fiscal year 1991-1992. On July 8, 1991 the Board of Supervisors approved the Agency's budget for 1991-1992 as modified by the Finance Committee during its hearings in late June. The Finance Committee made a series of small reductions in administrative costs, imposed a salary savings of 2%, and placed on reserve \$100,000 of prior year funding for Bernal Heights. All of the Agency's requests for programmatic expenditures were approved. The Chair of the Finance Committee also requested that the Agency report back to the Committee in six months regarding various aspects of the Yerba Buena Center for the Arts. To support the budget as approved, there are two financings contemplated. The first is tax increment financing of approximately \$25 million to support the Agency's general activities, but primarily focused on housing. The second bond issue will be approximately \$21 million to provide the "bridge" financing for completion of the public improvements on Central Block 2 in Yerba Buena Center. These two financings will basically use up all of the Agency's remaining tax increment capacity until the Fuji debt is extinguished.

Jano Oscherwitz, representing Local 790, noted that the Union is concerned at the Agency's attempt to improperly eliminate a Clerk position. Jo Mae Garry, Clerk, Mayor's Office of Special Projects, has been advised she will be laid-off effective August 1, 1991, due to budget reductions, however, the position has been reclassified to that of Administrative Assistant I at a higher salary which is contrary to the Memorandum of Understanding.

Robert Gamble, Deputy Executive Director, Finance, indicated that the Commission has the discretion to approve the budget and deal with this matter separately. He noted that the position of Administrative Assistant I was included in the budget last year but was not filled and there has not been a reclassification or substitution of the positions.

Mr. Helfeld noted that the Commissioners have been provided with a letter from the Agency dated July 16, 1991, addressed to Ms. Oscherwitz regarding termination of Ms. Garry's position.

James Nybakken, Administrative Services Officer, indicated it had been hoped Ms. Garry would be placed in a City position. The normal grievance procedure will now be followed.

Mr. King indicated he wants to make sure staff follows the proper procedure in this matter.

It was the consensus of the Commission that the budget be approved separately and staff report back on the personnel issue prior to August 2 when Ms. Garry's position is scheduled to be terminated.

In response to an inquiry from President Bagot, Robert Gamble, Deputy Executive Director, Finance, indicated that there is approximately \$1.4 million in old tax increment money in the Hunters Point Project Area which it is hoped to take out and use outside the project area and this could be used for economic development purposes on Third Street. Non-tax increment funds can be spent outside existing Redevelopment Project Areas, but tax increment funds cannot be spent outside Redevelopment Project Areas with the exception of housing.

President Bagot noted that there had been publicity at a recent City Planning Commission meeting regarding the Agency's involvement and budget for the South Bayshore. He indicated that the Agency has no plans to go into the South Bayshore unless invited. These funds in the budget are quite limited and are for further studies in the South Bayshore area. He would like to see the Agency assisting the residents and merchants, particularly on Third Street, however, there needs to be strong community support.

Ms. Tsen noted that a major part of the discussion when the budget was before the Finance Committee was regarding the Center for the Arts at Yerba Buena Gardens and there is a need to report back in six months. A Sub-Committee has been formed comprised of Commissioners Bolanos, Mardikian and Tsen to work with the Center on the report. It is intended to hold a public hearing in August or September to hear from the public arts groups.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-91 BE ADOPTED.

- (e) Leamon Abrams, Chief, Economic Development, introduced item (e), which requests authorization of a First Amendment to the Personal Services Contract with South of Market Employment Center (SMEC)/Mission Hiring Hall, Inc. to provide employment development services in the South of Market area, Yerba Buena Center and other Redevelopment Project Areas in an amount not to exceed \$91,667 for the period August 1, 1991 to December 31, 1991. SMEC was established to create a private/public venture through private and government funding capable of providing personnel and human resources to employers, including testing, counseling, information referral and job placement and employment development services to individuals and agencies. Eventually,

SMEC intends to provide research information services for government, academic and private projects in need of labor market or workplace data for San Francisco. The original contract was authorized in an amount of \$220,000 for the period August 1, 1990 to July 31, 1991 and provided that SMEC would establish an employer supported, one-stop employment Center. During the past eight months, SMEC has counseled over 1,134 individuals, enrolled 969 in its skills bank and contacted 461 employers. A total of 167 individuals were placed in either construction or permanent jobs. Staff has analyzed SMEC's program performance and believes they deserve a very good rating. As part of their current work program, SMEC intends to develop other sources of funding and in June 1991 received a grant of \$75,000 from the Pacific Telesis Foundation to conduct research and development of the labor market and San Francisco workforce data. The Commission are aware of the method developed by the Mayor's Office of Community Development (MOCD), the Mayor's Office of Business and Economic Development (MOBED) and the Agency to improve the efficiency of City-wide economic development services funded by Community Development Block Grant (CDBG) funds while satisfying HUD reporting and funding guidelines. The coordination between the three agencies will eliminate multiple contracts with single service providers, centralize reporting for fiscal accounting and improve program oversight and monitoring. Under the proposed change, the Commission will establish policy objectives, work programs, performance goals and funding amounts. Commencing January 1, 1992, MOCD will administer all City-wide CDBG funded programs and therefore the contract amendment runs through December 31, 1991.

Lefty Gordon, Ella Hill Hutch Community Center, requested approval of item (e).

Ms. Tsen noted the SMEC have exceeded their goals and done an excellent job.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-91 BE ADOPTED.

- (f) Leamon Abrams, Chief Economic Development, introduced item (f), which requests authorization of a First Amendment to the Personal Services Contract with Young Community Developers, Inc., (YCD) in an amount of \$83,333 for the period August 1, 1991 to December 31, 1991, to provide employment development services in the Bayview/Hunters Point and India Basin Redevelopment Project Areas. YCD is a multifaceted non-profit community service agency that has been in operation since 1973 and has been under contract with the Agency since April 1990. As indicated under item (e), beginning January 1, 1992, the Mayor's Office of Community Development will administer all City-wide CDBG funded programs, including services provided by YCD, and therefore the contract amendment runs through December 31, 1991. There are four developments scheduled for construction in the Bayview/Hunters Point area totalling \$20.6 million in construction costs that require local minority and resident participation. Staff

estimates that approximately 40 percent of the construction outlays or \$8.240 million will be in the form of wages. In addition to these developments, there are employment opportunities available in the India Basin and South Bayshore areas. YCD is actively recruiting area residents to fill the jobs created by the Cala Foods supermarket. During the past year, YCD has served over 901 individuals, contacted 70 employers and enrolled 901 in its skills bank. A total of 149 individuals were placed in general employment and construction jobs. Staff has analyzed the program performance and would give YCD a good rating. A more effective service delivery system has been developed and consistent progress has been made in job placements, staff performance and their projected goals have been achieved.

The following persons spoke in support of item (f): Lefty Gordon, Ella Hill Hutch Community Center; Al Norman, YCD Board of Directors; and Rich Sorro, Mission Hiring Hall.

Ocie Mae Rogers noted her opposition to item (f).

Ms. Tsen noted that, although YCD did not achieve 100 percent of the goals, there has been a great improvement in their performance.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a \$1.250 million payment to the Moscone Convention Center Expansion Project to purchase and erect structural steel and associated construction items for the Esplanade in the Yerba Buena Gardens in Yerba Buena Center. In May 1991, steel fabrication and erection packages for the two Yerba Buena Gardens cultural buildings were authorized to permit their construction to commence when the Convention Center main exhibit hall roof is ready in October 1991. The Moscone Center expansion project is scheduled to open in June 1992 and if heavy construction work for the Agency's projects continues after that date, the work may be subject to expensive construction delays in order to minimize interruptions to convention meetings. Important portions of the structural steel for the Esplanade project are to be attached to the structural steel of the Moscone Center expansion and in order to attach the steel without compromising the waterproofing of the Moscone roof, it is necessary to install the steel prior to the waterproofing. In addition, construction of the steel now will reduce potential disturbance to future Convention Center operations due to the noise of this heavy construction work, thereby limiting Agency's expense and liability, and expedite completion of the Esplanade. The Moscone Center expansion contractor, Tudor-Saliba-Perini, proposes to do this work in an amount not to exceed \$1.250 million under a change order to the Moscone Center expansion construction contract. This amount is within the Esplanade construction budget for this portion of the work. Both Turner Construction Company, the construction

Minutes of a Regular Meeting, July 16, 1991

manager for the Agency and the Moscone Center expansion project, and the Chief Administrator's Office recommend proceeding with the steel change order. Following completion of this portion of the Esplanade steel work, the general contract for the Esplanade would be scheduled to proceed with construction in January 1992, with completion of work corresponding with the cultural buildings in early 1993.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted that he had attended the fair held in Chinatown on July 14 and talked to several merchants who indicated business is down by ten percent.

Mr. Helfeld indicated he would provide the Commissioners with a tabulation of a survey from the Chinatown Task Force.

- (b) President Bagot noted that a meeting is being arranged with Margie O'Driscoll of the Mayor's Office regarding the Center for the Arts at Yerba Buena Gardens.
- (c) President Bagot referred to a letter dated June 3, 1991 from the New Bayview Committee to Ssangyong Yashima Future Development, the developer of Bayview Plaza, concerning compliance with affirmative action and local hiring preference commitments made to the Agency and the community and suggested staff write to the developer requesting similar information.

It was the consensus of the Commission that this matter be further discussed at a future time.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

Site 14, located at the northwest corner of Sixth and Minna Streets in the South of Market with Tenants and Owners Development Corporation (TODCO).

There will also be a Closed Session pursuant to Government Code Section 54956.9(a) regarding threatened litigation.

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There is an additional Closed Session which arose subsequent to the posting of the agenda on Friday, July 12, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 12, 1991.

This item is pursuant to Government Code Section 54956.9(a) on litigation. The name of the case is Gala vs. The San Francisco Redevelopment Agency, et al, Municipal Court Case Number 007-125.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations, a Closed Session on threatened Litigation and a Closed Session on Litigation. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

August 6, 1991

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7/23/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JULY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 23rd day of July, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Haig G. Mardikian

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and the following was absent:

Gary Kitahata (Arrived 4:58 p.m.)

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Paul Friedberg, M. Paul Friedberg & Partners; Dino Di Donato, South of Market Problem Solving Council; Roberto Barragan, Mission Economic Development Association (MEDA); Amelita Pascual, Sixth Street Merchants Association; and Ace Washington, WAPAC.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE PRESIDENT

- (a) President Bagot indicated Francine McKinney, Executive Director of San Francisco Housing Development Corporation (SFHDC) has requested material issued by the Agency on the First Time Homebuyers Program for the homes on Innes Avenue in Hunters Point so similar material can be produced to market homes being developed in Hunters Point by SFHDC.

Mr. Helfeld indicated that Michele Davis, Assistant Development Specialist in the Agency's Housing Division, would provide this information to Ms. McKinney.

President Bagot indicated that there has been some opposition to SFHDC's development, but he believes this affordable housing project is important to the African-American community and to those who care about affordable housing.

REPORT OF THE EXECUTIVE DIRECTOR

Minutes of a Regular Meeting, July 23, 1991

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On July 23, the Mayor held a press conference to appoint the African-American Economic Empowerment Task Force and it was a very positive meeting. Commissioners Bagot, Bolanos and King were in attendance.
- (b) On July 23, Commissioners Bolanos and Tsen met with staff and board members of Urban Economic Development Corporation (UEDC).

Ms. Tsen and Ms. Bolanos indicated that it had been a very productive visit and it is instructive and informative to meet with organizations the Agency funds and observe the daily operations.

President Bagot indicated he would like to reschedule his visit to UEDC.

- (c) South Beach Marina Apartments has signed a statement that they will accept and process applications from people with Section 8 Certificates and Vouchers and rent units to those applicants who meet the tenant screening requirements as applied to other tenants in their development.
- (d) Memorial services for Doris Kahn will be held on July 25, 2:00 p.m., at the Cable Car Barn, Washington and Mason Street. Ms. Kahn was a strong supporter of the arts and it has been requested that donations be made to the Doris W. Kahn Fund for the Arts at the Center for the Arts in Yerba Buena Gardens.
- (e) The next regular meeting of the Redevelopment Agency will be held on Tuesday, July 30, 1991 at the Salvation Army Facility at 360 Fourth Street at 4:00 p.m.
- (f) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

President Bagot indicated that it would be preferable to receive the Economic Development Weekly Report later in the week, rather than at the Tuesday Agency meetings in order to give the Commissioners time to study the information, even though it would not be quite as current.

- (g) The Commissioners have been provided with the preliminary survey results and a summary of Sub-Committee ideas on proposed economic development programs for Chinatown which were distributed at the most recent Chinatown Task Force meeting.

Ms. Tsen indicated she is pleased at the progress of the Task Force.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing settlement of Gala v. San Francisco Redevelopment Agency, et al in the amount of \$6,500.
- (b) Authorizing a First Amendment to the Option to Lease Real Property Agreement between the Redevelopment Agency and the Port of San Francisco; Rincon Point-South Beach.
- (c) Authorizing an extension of Exclusive Negotiations, until September 11, 1991, with Hilborn Hoover Properties for the purchase of the Pier 42 Bulkhead Building and the Sublease of a portion of Pier 40; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (c), RESOLUTION NUMBERS 189-91, 190-91 and 191-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Public Hearing on entering into a Sublease Agreement of the South Beach Harbor to the Redevelopment Financing Authority and a leaseback from the Authority to the Agency; Rincon Point-South Beach.

Mr. Helfeld introduced item (d), is a Public Hearing on entering into a Sublease of the South Beach Harbor to the Redevelopment Financing Authority and a Lease-back from the Authority to the Agency in connection with Rincon Point-South Beach. The Agency issued bonds to refinance a note issued to obtain construction and related funds for the development of the South Beach Harbor, which property is leased from the Port of San Francisco. The Agency has made all payments of principal and interest due on the bonds to date, but the revenues pledged by the Agency are not sufficient to exceed 130 percent of the amounts due and the Agency is therefore in default of its obligations under a Reimbursement Agreement with Mitsubishi Bank (Bank). These bonds are supported by a Letter of Credit from the Bank and to remove a technical default and extend the Letter of Credit beyond 1993, the Bank and the Agency have agreed to a lease structure converting a limited revenue obligation to a general lease obligation. The Redevelopment Financing Authority was established by the Agency and the City of San Francisco to assist in financing the redevelopment activities of the Agency on behalf of the City. A public hearing is required by Section 33340 of the Health and Safety Code before the Agency leases any property and this hearing satisfies that statutory requirement. No action is required at this time, however, since the public hearing had been noticed, it is believed appropriate to conduct the hearing so any comment may be taken. In the future, the Commission will be requested to approve the final documents after all the details

of the transaction and various administrative consents have been obtained.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Third Amendment to the Agreement for Professional Services with Environmental Science Associates, Inc. in connection with Yerba Buena Center. The original contract, authorized in April 1988, provided for environmental consulting services in connection with the preparation of a Third Supplement to the Final Environmental Impact Report (EIR) for Yerba Buena Center. The contract was subsequently amended on two occasions to cover additional services which have now been completed. In order to comply with current State Environmental Quality Act guidelines and current applicable case law, a Subsequent EIR needs to be completed which will require an additional expenditure of \$102,000 for a total contract amount of \$329,000. The amendment also expands the scope of services and extends the contract term. Staff believes that ESA has made acceptable improvements in its affirmative action program.

The Commissioners noted that there is a need for an improvement in the firm's affirmative action program and expressed concern that a representative from ESA was not present at the meeting to address this issue.

Mr. Helfeld noted that since May, eight additional personnel have been hired, five of whom are minorities. However, the number of African-Americans is disappointing and the Commissioners' concerns will be conveyed to ESA.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a First Amendment in an amount of \$45,000 to the Personal Services Contract with M. Paul Friedberg and Partners for Programming and Master Planning of the Central Block 3 (CB-3) Children's Garden in Yerba Buena Center. This contract, authorized in October 1988, provided for design review and conceptual design services for the CB-3 Garden. It was not subsequently used because of continuing changes in the basic program for CB-3 but has recently been reactivated to provide programming and master planning for the Garden in conjunction with Architect Adele Santos on the adjacent children's facilities. The amendment increases the amount payable by \$45,000 for a total contract amount of \$75,000. The Commission have been provided with a breakdown of the firm's workforce and they have been requested to increase outreach and hiring efforts among African-Americans, Hispanics and Native Americans.

Paul Friedberg appeared before the Commission and responded to questions from the Commissioners regarding the firm's affirmative action program.

The Commissioners noted their concern that there are no African-Americans on staff.

Mr. Friedberg indicated that this is not from lack of desire on his part but there are not many African-Americans seeking employment in this profession. He noted one African-American professional had been on hired but had resigned of his own volition when he was offered another position.

Ms. Tsen noted that what the Agency is trying to create on CB-3 is very innovative and that she is pleased Mr. Friedman is "onboard" to provide ideas and assist in the refinements that need to be made.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-91 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Third Amendment to the Personal Services Contract with Mission Economic Development Association (MEDA) to provide business recovery services in an amount not to exceed \$62,500 for the period August 1, 1991 through December 31, 1991 in the South of Market Earthquake Recovery Redevelopment Project Area. The purpose of the initial contract, authorized on July 31, 1990 in an amount of \$100,000, was to provide business technical assistance, business recovery services and loan packaging services to businesses adversely affected by the October 1989 earthquake. The first amendment, authorized in December 1990, provided \$30,000 for intensified technical assistance to business owners in the project area. The second amendment, authorized in April 1991, provided an additional \$72,000 for the SOMA sidewalk steam-clean program. The Commission are aware of the method developed by the Mayor's Office of Community Development (MOCD), the Mayor's Office of Business and Economic Development (MOBED) and the Agency to improve the efficiency of the City-wide economic development services in an effort to satisfy HUD reporting and funding requirements. The coordination will eliminate multiple contracts with single service providers, centralize reporting for fiscal accounting, and improve program oversight and monitoring. Under the proposed change, the Agency Commission will retain responsibility for establishing policy objectives, work programs, performance goals and recommending funding amounts. Commencing January 1992, MOCD will administer all City-wide CDBG funded programs and therefore the contract amendment runs through December 31, 1991. An Agency approved program to provide improved street lighting and security for businesses was delayed when it was discovered that CDBG funds cannot be used for security improvements unless they are installed to bring a building up to code. MEDA now has developed a revised program to focus on facade improvement and street lighting in order to comply with CDBG requirements. MEDA, in

conjunction with the Mission Hiring Hall, is in the process of implementing the SOMA steam-clean program which will provide side-walk cleaning services for all commercial store fronts in the Project Area free of charge for one year. It is anticipated the SOMA Steam-Clean program will become self-sufficient after one year. Another Agency-funded economic development program was designed in response to a determination by MEDA that lack of access to capital exists since only 34 percent out of 96 businesses surveyed had been able to obtain commercial loans. This resulted in The Small Business Recovery Fund being developed in which three banks have indicated an interest in participating. Although not all work program goals have been met, staff would give MEDA good overall performance rating and is confident MEDA will meet its goals during the 1991-1992 fiscal year.

Dino Di Donato, South of Market Problem Solving Council, spoke in support of item (g).

Roberto Barragan, MEDA, described MEDA's achievements and progress made to date in implementing the programs.

Ms. Tsen noted that MEDA will be given the same scrutiny as other service providers the Agency funds and she hopes the goals will be met in terms of loan packaging and job placements.

Mr. Kitahata arrived at this time, 4:58 p.m.

Ms. Bolanos noted that MEDA has come up with innovative ideas and she is confident they will be successful.

President Bagot noted his disappointment at the delay in the street lighting and security program, and Lucia Mele, Economic Development Specialist, indicated that discussions are being held with MOCD, however, it appears the program is not eligible for CDBG funds.

Mr. Helfeld indicated that it is hoped to convert the South of Market Earthquake Recovery Redevelopment Project Area to a full fledged redevelopment project and merge it with Yerba Buena Center so tax increment funds can then be used.

Leamon Abrams, Chief, Economic Development, responded to questions from Ms. Tsen on the loan programs proposed by MEDA and how funds will be leveraged. Ms. Tsen requested that a written summary of this information be provided to the Commission.

President Bagot noted he is interested in the official membership goals of the Sixth Street Merchants Association and the Fillmore Merchants Association.

Amelita Pascual, Sixth Street Merchants Association, indicated that membership has gone down. A Sixth Street Residents Association has been formed. Both organizations are currently targetting the issue of crime and working with Bill Sorro of

Tenants and Owners Development Corporation (TODCO) and Community Police on Patrol on the Sixth Street Corridor.

In response to an inquiry from President Bagot, Mr. Di Donato indicated that the Department of Public Works will be assisting with the new lighting system together with PG & E.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Mardikian suggested the meeting be adjourned in memory of Doris Kahn and an appropriate letter be sent to her family that the Commission took this action.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (h) Mr. Helfeld indicated that, together with Commissioners Bagot and Kitahata, he had met with Otis McGee of the Minority TV Project who are trying to put together a mechanism to raise funds to buy the television license KQED will be relinquishing as of August 31, 1991. Staff is hopeful of presenting a proposal to the Commission next week to assist that project and to explore appropriate ways they can raise funds for their long term needs.

Mr. Kitahata noted that how this project fits in with the Agency's economic development program and structure needs to be addressed. He requested that staff provide him with further information prior to noon on July 26.

President Bagot noted that it is important to remember that this is an opportunity for a non-profit who are eager to expand minority participation and their goal is to be fully representative of all ethnic groups. However, this needs careful analysis and care must be taken before making a sizable commitment.

Commissioners Bolanos and Tsen indicated they concurred with Mr. Kitahata's concerns and there is a need to see how this project fits in with the Agency's overall economic development program and policy. Although there are time constraints, there must be careful review before making any commitment.

Ms. Bolanos indicated that it needs to be determined what the tangible benefits would be for the African-American community and if that community supports it. There is also a need to see if future commitments are involved for the Agency.

Mr. King indicated that this matter should be taken to the African-American Empowerment Task Force that has just been appointed by the Mayor.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) In response to an inquiry from Ace Washington, WAPAC, regarding use of the parking lot at Webster Towers in the Western Addition A-2, Mr. Suttle indicated that until the agreement to maintain the lot with Richard Szeto is terminated, he is the person to contact for any interim use.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54056.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development; and

Site 14 located at the northwest corner of Sixth and Minna Streets in the South of Market with Tenants and Owners Development Corporation (TODCO); and

northeast corner of Third and Harrison Streets in Yerba Buena Center with the Mexican Museum; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

There are two additional Closed Session items that arose subsequent to posting of the agenda on Friday, July 19, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON JULY 19, 1991.

The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets in Yerba Buena Center and the entity the Agency may negotiate with is Griffin Related Properties VII.

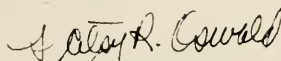
The second item is pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned in memory of Doris Kahn, to six Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:40 p.m.

Minutes of a Regular Meeting, July 23, 1991

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" and last name "Oswald" clearly distinguishable.

Patsy R. Oswald
Agency Secretary

APPROVED

August 13, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF JULY, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Salvation Army Facility, 360 4th Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of July, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

V. Fei Tsen, Vice President (Arrived 4:26 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Supervisor Gonzales, Member of the Board of Supervisors of the City and County of San Francisco; Maria Acosta-Colon, President, Mexican Museum; Gesus Orosco, representing the Board of Trustees of the Mexican Museum; Jennifer Spangler, Director of Art House; Dino Di Donato, South of Market Problem Solving Council; John Elberling, TODCO; and Randall Evans.

Representing the press was: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

REPORT OF THE PRESIDENT

- (a) President Bagot noted his pleasure that this meeting is being held in the community and thanked those present for attending.
- (b) President Bagot indicated that item (d) would now be taken-up.

NEW BUSINESS- REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization to enter into a Memorandum of Understanding with The Mexican Museum in connection with seeking a site for development of a Museum Facility in the Yerba Buena Center Project Area. On June 25, 1991, Resolution Number 169-91 was adopted which expresses the intention of the Agency to assist the Museum which now wishes to relocate from its present space in Fort Mason to a new facility more appropriate to the Museum's needs and program. A Memorandum

of Understanding has now been prepared which provides for the Agency to seek a suitable site within the Yerba Buena Center Project Area and incorporate a funding request in the Agency's 1993 budget for site acquisition and program design costs. The Agency's financial assistance to the Museum is contingent upon the availability of appropriated funds.

Mr. Helfeld further noted that a major part of the Agency's mission relates to quality of life issues. To the public there is the awareness that the Agency is concerned about: housing; opportunity for all people, particularly people of modest means; economic development; bringing in and preserving business for the City; increasing the tax base; and assisting neighborhoods to undertake economic revitalization. The Agency is also concerned with quality of life issues such as providing parks and recreation facilities and access to the Bay provided by the South Beach Marina undertaking. In addition, there is concern for encouraging art institutions and artists. Many years have been spent in the establishment of a Cultural Center in Yerba Buena Garden, a theater and visual arts center. The Agency has assisted many cultural institutions and is currently working with the developer of the Third and Mission Street site to provide a home for the California Historical Society. Having a number of cultural institutions at the Yerba Buena Gardens has further stimulated an interest by a variety of art institutions. This opportunity to assist the Mexican Museum in identifying a permanent location and keeping it in San Francisco is welcomed.

Ms. Tsien arrived at this time 4:26 p.m., during Mr. Helfeld's presentation.

David Madway, Agency Counsel, noted changes to the document since the matter was last discussed with the Commission which principally relate to the Agency possibly making available, at fair market price, sites currently owned by the Agency and not subject to the rights of other developers. The Redraft also provides for the possibility that, if the parties mutually agree, a site more distant than walking distance from the Cultural Center and the site of the Museum of Modern Art could be considered for the Mexican Museum and, even conceivably, depending upon the Agency's statutory authority to do so, the acquisition of a site close to but outside the Yerba Buena Center Project Area.

Supervisor Gonzales expressed appreciation to all involved for assisting in efforts to find a permanent home for the Museum. He indicated there is a need to record history and culture and the Agency has shown vision in its support of the Museum. He noted that he would join the Agency in asking the Mayor for money for site acquisition and design in 1993. He commended the Commission and noted that Ms. Bolanos had been particularly helpful during the negotiations.

The following persons spoke in support of item (d): Jesus Orosco, representing the Board of Trustees of the Mexican Museum; Maria Acosta Colon, President of the Mexican Museum; Jennifer Spangler,

Minutes of a Regular Meeting, July 30, 1991

Director, Art House; and Dino Di Donato, South of Market Problem Solving Council.

The Commissioners indicated they were pleased to have been of assistance to the Museum, however, support will be needed when funds are requested from the Mayor and the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-91 BE ADOPTED.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 25, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 2, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Contrary to a number of newspaper articles regarding the proposed art work on Howard Street, it is understood that the status of the selection of the art work is that it is "in process" and has not been approved by the Art Commission. Tentative arrangements have been made for the Commissioners to visit the Art Commission's offices at 25 Van Ness Avenue, Suite 70, on August 6 at 3:00 p.m.

Ms. Tsen noted her concern that neither the Commission or staff have been contacted by the Art Commission since the Agency has actively solicited their input and support in connection with Yerba Buena Gardens and other projects and requested that this be conveyed to the Art Commission.

- (b) On July 30, Commissioners Bolanos, Kitahata and Tsen met with representatives of the Minority Television Project (MTP).

The Commissioners indicated that, although this appears to be a worthwhile project, there is a need for further study and provision of additional information to consider an appropriate way for the Agency to support this project in line with its economic development program. The additional information requested by the Commissioners included: an expanded budget and its time-line; an estimate of projected sources of revenue on a long term basis; the multi-cultural focus in terms of programming and linkages with diverse multi-cultural groups; the appraised value of material and equipment granted to the project by KQEC and KGO; the track/prior record of personnel who will be running the station; and the consequences involved if the station is not on the air on August 31.

In response to an inquiry from Mr. Kitahata as to whether a resolution by the African-American Coalition for Economic Opportunity was a draft or had actually been approved, Mr. Helfeld indicated he would check on this. Mr. Kitahata indicated that even if it has been approved by the Coalition, it should still be reviewed by the African-American Economic Empowerment Task Force appointed by the Mayor.

In response to a concern expressed by Mr. King, President Bagot indicated that arrangements would be made for Mr. King and Mardikian to meet with representatives of MTP.

- (c) Michael Kaplan, Project Coordinator, South of Market Earthquake Recovery Project, gave a status report on the project and responded to questions from the Commissioners.

Mr. Mardikian noted that this is an excellent and timely report, however, reports of this nature should be calendared as a workshop and Mr. Helfeld indicated this would be done in the future.

Dino Di Donato, South of Market Problem Solving Council, distributed to the Commissioners a resolution adopted by the Council on July 26, 1991 on Recommended 1991-1992 Site Acquisition Priorities in the South of Market Earthquake Recovery Area.

- (d) Helen Sause, Project Director, Yerba Buena Center, gave a status report on the Yerba Buena Center Project.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an expenditure of funds not to exceed \$1,600 to purchase a set of California Attorney General Opinions with ongoing subscription service.
- (b) Authorizing an Amendment to the Owner Participation Agreement with the Queen Anne Hotel Co. in connection with property located at 1590 Sutter Street; Western Addition A-2.
- (c) Travel authorization for Helen L. Sause, Project Director, Yerba Buena Center, to attend the Annual Summer Conference of the National Association of Housing and Redevelopment Officials (NAHRO), September 27 through October 2, 1991, at a cost not to exceed \$800.00.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 195-91, 196-91 AND 197-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA(Continued)

- (e) Public Hearing to hear all persons interested in a Land Disposition Agreement with Tenants and Owners Development Corporation; South of Market Earthquake Recovery Redevelopment Project Area.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Jack Robertson, Housing Development Specialists, introduced item (e), which requests authorization of an Agreement for Disposition of Land for Private Development with Tenants and Owners Development Corporation (TODCO) for the purchase and development of 241 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area. It is proposed to construct 140 units of low-income single room occupancy (SRO) housing on seven floors above ground floor community space on this property which the Agency acquired for the purpose of rebuilding low-income housing demolished by the October 1989 earthquake. TODCO will pay the land acquisition cost of \$824,000 from tax syndication proceeds which will be available after completion of construction which is estimated to be 1993. The total project cost is estimated at \$11.3 million and for the major part of the financing application is being made for a low-income tax credit allocation of \$5.2 million and a California Disaster Assistance Program (CALDAP) loan of \$4.5 million. In addition, the Mayor's Office of Housing is providing approximately \$925,000 in "gap funding" from the Affordable Housing Production Program Fund. To be eligible for a tax credit allocation, an executed LDA must be submitted with the final tax credit application by August 1, 1991, the funding reservations for which are scheduled to be announced by the end of August. Although the CALDAP loan application has already been submitted, the current State budget crisis has delayed the processing and TODCO's application is only now being reviewed. TODCO has initiated a series of community meetings to elicit suggestions for designing the building to meet future tenant population needs. It should be noted that approval of the LDA does not include approval of the Schematic Drawings which must be submitted by August 7, 1991 and at a subsequent date the final design will be before the Commission for approval. The project will maintain affordability restrictions for 99 years and one hundred percent of the units will be affordable to persons of low-income. The average household income for all the households shall not exceed 40 percent of the area median income and the estimated lease rate for the units is approximately \$300 per month net of utility allowance. To accommodate TODCO's need to incur 10 percent of project costs before the end of 1991, per tax credit requirements, the Agency will convey title no later than November 1991 providing the developer has complied with all the terms and conditions of the LDA and has obtained financing to complete the project. The LDA contains standard conditions requiring reconveyance of the site to the Agency if the project does not go forward. The performance schedule calls for submission of evidence of financing by October 2, 1991 and conveyance of the site by November 14, 1991. Construction shall commence no later

than 180 days after conveyance and completion of construction shall be within 24 months of commencement.

John Elberling, TODCO, noted that staff have been helpful and flexible in putting together the financing program. However, agreement has not been reached on a change in occupancy priorities being proposed by TODCO whereby greater priority would be given to South of Market residents rather than Agency displaced Certificate Holders.

Dino Di Donato, South of Market Problem Solving Council, indicated the Council supports TODCO's position.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. King noted his opposition to TODCO's proposal because this would change a policy the Agency has had for many years which is to give preference to displaced Certificate Holders. Any such change should be brought before all communities, including the Western Addition and Hunters Point, at a public hearing.

Mr. Helfeld indicated that the action being requested today is approval of the LDA which contains the normal Agency occupancy priority standards and a change in those standards is not part of staff recommendation.

Ms. Tsen noted that the Agency has an obligation to Certificate Holders who were displaced and they should be given priority. If the developer comes back with a proposed change in occupancy priorities then it should be calendared so there can be input from all communities.

President Bagot requested a status report on how the Agency is placing Certificate Holders.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-91 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Predevelopment Loan Agreement in an amount not to exceed \$142,000 with Tenants and Owners Development Corporation (TODCO) for the development of 241 Sixth Street located at the southeasterly corner of Sixth and Tehama Streets in the South of Market Earthquake Recovery Redevelopment Project Area. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 200-91, WOULD BE CONTINUED TO THE MEETING OF AUGUST 6, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization an expenditure of funds through a Letter Agreement with the Public Utilities Commission, Bureau of Light Heat and Power in an amount

not to exceed \$15,000 for a Lighting Demonstration Program on Sixth Street between Market and Folsom Streets in the South of Market Earthquake Recovery Redevelopment Project Area. The Agreement requires that an amount of \$12,000 be made for the Demonstration Program, the purpose of which is to improve street lighting in the area. An additional \$3,000 is being requested in the event the actual work exceeds the estimate. This project is not eligible for normal City funding as the present street lights meet the City standards and improvement beyond those standards requires funding from separate sources. The work to be undertaken is to provide a basis for determining the best method of further upgrading of street lighting in the future. The increased lighting is part of a program to reduce crime, particularly drug dealing, which is adversely affecting local businesses, residents and visitors. Elimination of illegal narcotics traffic has been identified as a high priority by the South of Market Problem Solving Council and they have determined that improved lighting is a basic initial step. The Bureau anticipates completing the work within sixty days of receipt of the deposit provided the materials needed are available.

The following persons spoke in support of item (g): Jennifer Spangler; and Dino Di Donato, South of Market Problems Solving Council.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. TSE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-91 BE ADOPTED.

- (h) Bill Rumpf, Chief, Housing Production and Management, introduced item (h), which requests authorization for the Agency to apply to the American Red Cross Northern California Earthquake Relief and Preparedness Project to become a Manager of its Rental Housing Replacement Revolving Fund. In July 1991, the Red Cross issued a Request for Qualifications (RFQ) to public agencies and non-profit corporations interested in becoming a County Manager for its new Rental Housing Replacement Revolving Fund which has been established to provide financing for low-income rental housing projects that are replacing those units lost or damaged by the October 1989 earthquake and to expedite completion of the housing. The Fund provides \$2 million in "recoverable grants" to be available as revolving loans to identified housing projects in six counties affected by the earthquake and must be returned to the fund within five years. Funds would be allocated by county in relation to the extent of severely damaged low-income rental housing up to an initial maximum of \$500,000 to any one county and would provide approximately that amount for eligible San Francisco housing projects. Through the RFQ process, one revolving fund manager will be selected for each county to solicit, review and recommend to a county-wide community-based committee, the best low-income rental housing projects that meet the objectives established for this fund. Upon selection of the projects by the committees, funds will be disbursed through the Fund Manager as interest-free loans to the sponsors of the housing projects. The composition of the Loan Review Committee has been discussed with staff of the Mayor's Office of Housing and it is recommended the

existing Loan Committee of the City-wide Tax Increment Housing Program, comprised of Edward Helfeld of the Agency and Brad Paul and Joe Latorre of the Mayor's Office of Housing, serve as the Fund's Loan Review Committee with the addition of community representatives. The RFQ application deadline is August 2, 1991 and Fund Managers are expected to be announced by September.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (e) Mr. Helfeld indicated that on August 1, 1991, 6:00 p.m., the newly appointed African-American Economic Empowerment Task Force will be having their first meeting at 770 Golden Gate Avenue, Third Floor Conference Room. The Agency looks forward to working with the Task Force on economic development programs.
- (f) Mr. Helfeld noted that the Commissioners have been provided with a draft of the Preliminary Plan completed by the Chinatown Community Economic Development Task Force which outlines the recommended program to implement with the Redevelopment Agency funds. A public hearing is scheduled for August 11, 1991, 2:00 p.m., in Chinatown at a location to be determined. A final draft of the Economic Development Plan will be completed after the Task Force has received input from the Chinatown community.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) In response to an inquiry from Randall Evans, President Bagot indicated that staff is developing a report on Certificate Holders in relation to housing projects which will be made available to the public.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northeast corner of Third and Harrison Streets in Yerba Buena Center with the Mexican Museum; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

Minutes of a Regular Meeting, July 30, 1991

President Bagot announced that this meeting would be continued to August 6, 3:00 p.m., 25 Van Ness Avenue, Suite 70.

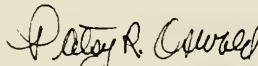
ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:15 p.m.

RECONVENED

At this time and date the meeting that was to reconvene at 3:00 p.m., August 6, 1991, was not held due to lack of a quorum.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

August 13, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of August, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: B.T. Wade, Jr., Wil Washington Spencer and Arlene Stevens, Minority Television Project; Geraldine Johnson, The Thursday Group, Public for Policy Group/Martin Luther King, Jr. Civic Committee/African-American Economic Empowerment Task Force; Reverend Amos Brown, Essie Collins, Espanola Jackson, Sam Murray, Dan Johnson and Lefty Gordon, African-American Economic Empowerment Task Force; and Robert Herman, Robert Herman Associates.

Representing the press was: Greg Lewis, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 9, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 16, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Bagot requested that the Agency Secretary arrange for a card and flowers to be sent to Ben Hattem, Agency Affirmative Action Officer, who is on leave due to a back injury.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On August 6, Commissioners Bolanos and Tsen met with staff of the Art Commission to view the artwork proposed for the Howard Street Enrichment Project.

Ms. Bolanos and Ms. Tsen noted that the artwork is interesting and controversial, however, it is still "in process" and there are issues to be resolved before it goes forward.

Ms. Tsen noted that there is a need for the Art Commission to reach out to the community for input which they are now doing.

- (b) The Agency will reach a significant milestone on August 19 when the rehabilitation of the Washburn Hotel is opened into a residence for the care of twenty-four mentally disabled individuals which will complete the 2,500th housing unit the Agency has helped generate in San Francisco over a period of thirty years. The first unit was completed in Diamond Heights in 1962. The Mayor's Office is aware of the historic nature of the Washburn's rehabilitation and Mayor Agnos will be present at a ribbon cutting ceremony to be held on August 19 at 3:00 p.m.
- (c) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) for businesses in the Fillmore Center and Bayview Plaza.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Predevelopment Loan Agreement in an amount not to exceed \$142,000 with Tenants and Owners Development Corporation (TODCO) for the development of 241 Sixth Street located at the southeasterly corner of Sixth and Tehama Streets in the South of Market Earthquake Recovery Redevelopment Project Area. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS ITEM (a), RESOLUTION NO. 200-91 WOULD BE CONTINUED TO THE MEETING OF AUGUST 13, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), the purpose of which is to discuss the Minority Television Project (MTP). The Commissioners have been provided with a letter from MTP which responds to concerns and questions raised. Representatives of MTP are here to respond to further questions. Staff is unable to make a recommendation until input is received from the African-American Economic Empowerment Task Force. Concerns have been raised by the Commissioners regarding fundraising and issues in the business plan and Mayor Agnos has recommended the Agency provide

consulting assistance to MTP. At President Bagot's suggestion an organization that specializes in this type of work has been identified and their name passed on to MTP. Staff has also contacted John Douglas, an African American, who runs a television station in San Jose and it is anticipated a proposal for a contract with Mr. Douglas will be prepared by next week. It is anticipated that any monies expended for this project would be drawn from Western Addition economic development funds.

B.T. Wade, Jr., Counsel for MTP, made a presentation on behalf of MTP and responded to questions from the Commissioners regarding: the consequences if the August 31 deadline to take over the KQED television station is not met and the possibility of KQED extending their operations beyond that deadline; technical services the Agency could provide to make this a viable project and assist in developing a business plan; the location and type of facilities the station expects to occupy; and the number of people to be employed and plans for a training program. Mr. Wade noted that this is an emergency and it had been hoped that by now the Commission would have acted favorably. However, the need for a community review and approval process is acknowledged and it is recognized that the African-American Coalition for Economic Opportunity and the African-American Economic Empowerment Task Force should review the proposal.

The following persons spoke in support of the MTP project: Geraldine Johnson, The Thursday Group/Public for Policy Group/African-American Economic Empowerment Task Force; Wil Washington Spencer and Arlene Stevens, MTP; Sam Murray, Espanola Jackson, Dan Johnson, Essie Collins, Reverend Amos Brown and Lefty Gordon, Members of the African-American Economic Empowerment Task Force.

Ms. Collins noted that, although she supports the project, economic development funds should not be used for this purpose.

In response to a concern expressed by the Commissioners regarding the fact that the African-American Economic Empowerment Task Force is not scheduled to meet until August 20, Leamon Abrams, Chief, Economic Development, indicated that James Jefferson of the Task Force is polling members for input.

The Commissioners noted that every effort should be made to have KQED continue operations beyond August 31 and that there is a necessity to have input from the African-American Economic Empowerment Task Force before action is taken.

President Bagot indicated that item 8 on the agenda would now be taken-up due to time constraints of Reverend Brown who wishes to address the Commission on a non-agenda, but Agency related matter.

PERSONS WISHING ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Reverend Amos Brown noted his concern at the poor quality of construction work being performed at the Community Center in the Western Addition.

President Bagot indicated that staff will analyze the situation and report back next week.

NEW BUSINESS

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions and voting on item (a) because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 6:00 p.m., President Bagot turned the Chair over to Ms. Tsen.

- (a) Bill Rumpf, Chief, Housing and Production Management, introduced item (a), which requests authorization of an expenditure of funds in an amount not to exceed \$1.190 million for the acquisition of property located at 1028 Howard Street for the development of affordable housing in the South of Market Earthquake Recovery Project Area. In April 1991, the Agency entered into a purchase/sale agreement for this property and in June 1991, Catholic Charities was approved as the non-profit developer of the site. An Environmental Site Assessment identified hazardous waste on the site which is common to fill areas in this part of San Francisco. By employing approved waste management procedures the site can be developed safely in a manner which will meet the guidelines set forth by local regulatory agencies. In this connection a price reduction has been negotiated with the owner to reflect the additional costs that will be incurred in implementing a Hazardous Waste Mitigation Plan. In July 1991, a community meeting was held to obtain user input on the types of units and amenities that should be incorporated into the architectural design and the Project Architect is in the process of preparing Basic Concept Drawings which will be presented to the South of Market Community, the Agency and City Planning. The Schematic Drawings are scheduled to be submitted for review and approval by September 25, 1991. Given the current emphasis on large family rental units in projects funded by the State Rental Housing Construction Program (RHCP) and the California Tax Credit Allocation Committee, the development potential for the site will be between 30 to 40 units consisting of one, two and three bedroom units. If these financing commitments are obtained, construction could commence in the summer of 1992.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH PRESIDENT BAGOT ABSTAINING, THAT RESOLUTION NO. 203-91 BE ADOPTED.

- (b) Helen Sause, Project Director, Yerba Buena Center, introduced item (b), which requests authorization of a Second Amendment to the Owner Participation Agreement (OPA) with Robert and Sandra Feher for 250 Fourth Street in Yerba Buena Center. The OPA is scheduled to terminate on August 7, 1991 due to the failure of the owners to proceed with the office building development permitted under the agreement since 1985. The first phase permitted under the OPA consisted of minor improvements to the existing three story office building. The Ansel Adams Photography Gallery has occupied the building since 1988 under a long term lease with the Fehers and undertook substantial improvements to the property prior to their occupancy. The second phase called for a new 77,000 square foot office building which would have replaced the existing building but did not proceed because of a slump in the office market and due to the fact that in May 1988 the Fehers entered into a ten year lease with the Ansel Adams Gallery with renewal options. The requested amendment will permit the option of adding two more levels for use as an art gallery, cultural facilities and related retail space. It provides for the start of construction no later than January 1, 1994. However, a provision is included which would allow consideration of a revised performance schedule if construction of related facilities in the area is delayed since the owners believe the successful expansion of their development is contingent upon a critical mass of similar facilities in the area. Staff believes that the proposed expansion of the existing use is more appropriate than the originally intended office use and recommends approval of the change and the additional time requested.

At this time 6:07 p.m., Ms. Tsen turned the Chair back to President Bagot.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-91 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which commends Patricia Nacey on the occasion of her retirement. Ms. Nacey has served the Agency for nineteen years during which time she worked in Community Services and, most recently, Community Information. She has shown her dedication to the Agency by her commitment to the Agency's programs and goals. Many letters from all over the world have been received commending her and noting appreciation for her work in promoting the City and the Agency. This opportunity is taken to wish Patricia the best of health and happiness and good fortune in her future endeavors.

Mr. Helfeld read the following resolution into the record:

"Commending and expressing appreciation to Patricia Nacey for her services upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco. Patricia Nacey served the Redevelopment Agency of the City and County of San Francisco from March 16, 1972 through August 15, 1991. Patricia Nacey, whether effecting rehousing of tenants,

explaining through language barriers, the full panoply of the Agency's past, present and future activities and development, she has captured for all the vision of San Francisco through her share in that play, forwarded the reputation of the City and the Agency. Accordingly, it is resolved that the Redevelopment Agency of the City and County of San Francisco on behalf of its Commissioners and employees, in recognition of the service which she has rendered, does by the Resolution express to Patricia Nacey its appreciation of work well done, its thanks for her services, its acknowledgement of her achievements, and its most sincere wish for the best of health, happiness, and success in all of her future activities; and that the Secretary of this Agency is directed to have prepared for presentation to Patricia Nacey a suitable copy of this Resolution as a token of the high esteem in which she is held by all".

The Commissioners expressed appreciation to Ms. Nacey for her dedicated service to the Agency and wished her success in her future endeavors.

Geraldine Johnson thanked Ms. Nacey for her assistance over the years and noted the professional manner in which she carried out her duties.

Ms. Nacey noted the changes that have taken place during her tenure with the Agency and thanked the Commissioners, Ms. Johnson and Mr. Helfeld for their tributes.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-91 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT
AGENCY RELATED MATTERS (Continued)

- (b) Geraldine Johnson, Martin Luther King, Jr. Civic Committee, noted her concern at the artwork proposed for Howard Street. She suggested a joint hearing between the Agency Commission and the City Planning Commission for public input.

Mr. Helfeld indicated that there will be a meeting in the City Attorney's Office with City Officials to discuss the approval process. He suggested Ms. Johnson visit the offices of the Art Commission to view the model and design.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, August 2, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

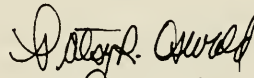
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON AUGUST 2, 1991.

This item is pursuant to Government Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the blocks bounded by Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Center Associates.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 27, 1991

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#4
8/13/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of August, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Virginia Conway; Ray Jones and Inno Ekkeh, Urban Economic Development Corporation (UEDC); Mignon McGregor; Sue Hestor; Francee Covington dba: Francee Covington Productions; Connie Perry and L. Jamerson, African-American Economic Empowerment Task Force; Otis McGee, Minority Television Project; Geraldine Johnson, Coalition of Black Trade Unionists; Tuman Onabiyi, Wajumbe Cultural Institution; Debora Howard, Reflections; Dr. Eddie Welbon, President, Pastor's Conf. of San Francisco; N.J. Douglas, Douglas Broadcasting; Helen Helfer and Paul Turner, Bernal Heights Housing Corporation; Ace Washington, WAPAC; Lurilla Harris, Farmer's Market Task Force; Herb Liberman and Leo Olson, Blue Print Service; Eric Starr, Sprincin Development Partners IX; Sammie Dukes, Dukes-Dukes & Associates; Kris Milha, YWCA of San Francisco; Deborah Keant, San Francisco Art Providers; Toye Moses, Young Community Developers; and Virginia Conway.

Representing the press was: Gerald Adams, San Francisco Examiner; Ingfei Chen, San Francisco Chronicle; Huel Washington, Sun Reporter; and Donald Taylor, Bay Guardian.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 23, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 30, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of June 11, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of June 18, 1991, as distributed by mail to the Commissioners, be approved.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the Agency's Housing Division is working on a report regarding placement of Certificate Holders and it should be completed within two weeks.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

(a) There are three items to be added which are not on the agenda:

The first item is part of 6 (f) authorizing a contract in an amount not to exceed \$25,000 with Douglas Broadcasting to provide technical assistance to Minority Television Project and authorizing submittal of a budget request for \$500,000 for Fiscal Year 1992-1993 for economic development in the Western Addition A-2.

The second item is authorizing transmittal of an additional Amendment to the proposed Redevelopment Plan Amendment for Rincon Point-South Beach Redevelopment Project Area to the Board of Supervisors of the City and County of San Francisco for its consideration.

The Third item is authorizing transmittal of an additional amendment to the proposed Redevelopment Plan Amendment for Rincon Point-South Beach Redevelopment Project Area to the City Planning Commission of the City and County of San Francisco for its report and recommendation.

The need to take action on these three items arose after posting of the agenda on Friday, August 9, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a vote of five Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON AUGUST 9, 1991.

(b) It is requested that item 5 (a), Unfinished Business, a Predevelopment Loan Agreement with Tenants and Owners

Development Corporation (TODCO) in an amount not to exceed \$142,000 and item 6 (k), New Business, a discussion on West Bay Community Center in the Western Addition, be continued to the meeting of August 20, 1991. It is also requested that item (i) be continued to the meeting of September 9, 1991, to provide time for the current developer to demonstrate an effort is being made to develop the property.

In response to a concern expressed by Virginia Conway, Gene Suttle, Senior Deputy Executive Director, indicated that he believed the sidewalk by the Community Center would not be widened, however, he would check and advise Ms. Conway.

- (c) On August 15 at 1:00 p.m., there will be a Special Meeting of the Agency for the purpose of holding a joint meeting with the City Planning Commission to consider a resolution to Certify the Supplemental Environmental Impact Report for the proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Project Area. A quorum is required for this meeting.
- (d) On August 26 at 3:00 p.m., there will be a Special Meeting for the purpose of holding a joint meeting with the Board of Supervisors for the proposed Rincon Point-South Beach Plan Amendment. A quorum is also required for this meeting.
- (e) On August 11, a Public Hearing was held on the Preliminary Economic Development Plan for Chinatown.
- (f) On August 19 at 3:00 p.m., there will be a building dedication ceremony of the Washburn Street Residence at 38-42 Washburn Street.
- (g) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

President Bagot inquired regarding Mignon McGregor's loan application that had been submitted but not been approved by the Mayor's Office of Business and Economic Development (MOBED) Loan Committee. Ms. McGregor indicated that she does not have a downpayment or collateral but has commitments from large companies.

Ray Jones and Inno Ekkeh, Urban Economic Development Corporation (UEDC) responded to questions from President Bagot regarding the review process before requests for loans are submitted to the Loan Committee. Mr. Ekkeh noted that Ms. McGregor had been advised that it was not expected that the loan would be approved.

In response to an inquiry from President Bagot regarding re-submission of Ms. McGregor's loan application, Mr. Suttle indicated that efforts to restructure will be made.

President Bagot requested staff summarize and report back if there are turn-down points that an applicant should be aware of when submitting a loan application.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Predevelopment Loan Agreement in an amount not to exceed \$142,000 with Tenants and Owners Development Corporation (TODCO) for the development of 241 Sixth Street located at the southeasterly corner of Sixth and Tehama Streets in the South of Market Earthquake Recovery Redevelopment Project Area. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 200-91, WOULD BE CONTINUED TO THE MEETING OF AUGUST 20, 1991, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS- CONSENT AGENDA

At the request of Sue Hestor, President Bagot indicated that items (b) and (c) would be removed from the Consent Agenda and considered as Regular Agenda items.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing write-off of four and a half years of uncollectible license accounts totalling \$17,976.39, and establishing a write-off procedure for future delinquent accounts at the South Beach Harbor; Rincon Point-South Beach.
- (d) Authorizing a Fifth Amendment which revises the Performance Schedule of the Land Disposition Agreement with Sprincin Development Partners IX for Parcels 779-B and 779-C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2.
- (e) Authorizing a First Amendment to the Personal Services Contract for community services consulting with John C. Friedman in an amount not to exceed \$12,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (d) and (e), RESOLUTION NUMBERS 206-91, 209-91 and 210-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests authorization for the Executive Director to engage George Lithograph for the printing of the Redevelopment Agency's Annual Report, 1991 Edition for an amount not to exceed \$6,110.71. Staff has obtained quotes from three printers and has selected the printer

providing the lowest, responsible bid for printing of the 1991 Annual Report. The work involved will include printing, collating and saddle stitching of 7,500 annual reports and 2,500 envelopes. The Annual Report will be a valuable adjunct to the Agency's program and will be a useful document internally for reference purposes and a forceful document externally for describing the redevelopment program in San Francisco.

Ms. Hestor noted her concern that this expenditure is proposed in view of the City's budget crisis.

Commissioners Bolanos and Kitahata indicated they believe this to be a valuable and worthwhile report which will serve as a planning document and communications device to the community to keep them informed of the Agency's activities.

- (c) Mr. Helfeld introduced item (c), which requests authorization of an expenditure of \$70,000 to cover printing and miscellaneous costs related to the bidding of contracts for the Yerba Buena Theater (YBT-2) and Visual Arts Center (VAC-2); Yerba Buena Center. Staff is in the process of distributing bid packages for YBT-2 and VAC-2 to builders exchanges, minority business center, consultants and all interested contractors or sub-contractors. This process will conclude on the bid opening date of September 5, 1991. The bid packages include both YBT-2 and VAC-2 bid drawings, specifications, general conditions, planholders list and all addenda. The expenditure for these items include printing costs and either mailing or express mailing costs. This authorization will allow the Agency to reimburse Blue Print Service and Federal Express for services rendered and to pay for any other costs which may be incurred during the bidding period. To date, contractors have paid the Agency for non-refundable fees totalling \$34,650 for bid sets. This partially offsets the Agency's expense for providing plan sets and addenda to the 137 planholders.

Ms. Hestor noted her concern that the full costs should be borne by those persons receiving the packets and the Agency should be reimbursed 100 percent. Also that the Agency should not go out for bids on the cultural facilities without assurances the rest of the program is going to go forward.

Edmund Ong, Chief of Architecture, indicated that in establishing a price for contractors to pick-up bid packages, staff had attempted to set a price that would cover printing of the documents but did not want to set it too high so that it would discourage responses. The bid documents have been sent to various organizations in efforts to encourage minority participation.

Ms. Tsen noted that it important to give minority contractors an opportunity to bid on public contracts and she believes this to be a worthwhile expenditure.

President Bagot indicated that item (j) would be taken-up after item (f) due to time constraints of Ms. Covington.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a \$500,000 grant to Minority Television Project (MTP) for the development of a non-commercial public television station. An initial grant of \$250,000 would be awarded and the balance upon demonstration of matching funds in an amount of \$250,000. Authorization is also being requested of a contract in an amount not to exceed \$25,000 with N. J. Douglas, owner of Douglas Broadcasting, to provide technical assistance to MTP for an amount not to exceed \$25,000. Authorization is also being requested to submit a budget request for \$500,000 for Fiscal Year 1992-1993 for economic development in the Western Addition A-2. Subsequent to the license of the public television station KQED/Channel 32 being rescinded by the Federal Communications Commission (FCC), it was awarded to MTP conditioned upon MTP proving its financial viability to the FCC prior to August 31, 1991 or the station will go dark. The project provides the Agency with an opportunity meet to goals in its Mission Statement relating to business development and job creation. It also provides economic empowerment to the African-American and Minority Community through development of a non-profit business and ownership in the television industry. It is recommended this funding be contingent upon the attainment of conditions which seek to leverage public resources and minimize exposure of public funds. MTP's mandate is to provide quality programming and services to meet the needs and interests of the multi-ethnic, multi-cultural residents of the Bay Area. The new Channel 32 will be the Bay Area's only minority controlled public television station and this is a unique opportunity for the minority community to own and operate a television station. In response to issues raised, MTP has revised its previously submitted budget and provided further details on their projected cash flow. The Commissioners have also been provided with information on MTP's history and background and biographies of its Board of Governors. The President of KQED has been contacted regarding the station extending its schedule deadline, however, the response was that KQED will not stay on the air beyond August 30. A contract is proposed with Mr. Douglas, an African-American with a strong background in television and broadcasting. He estimates he will provide approximately three-quarters staff time during the initial two to three month operating period. During that time a permanent general manager is be hired, following which Mr. Douglas will monitor the station's progress for the remainder of the year. Funding for the project would be drawn from the \$1.5 million remaining tax increment funds allocated for economic development in the Western Addition. The Agency will submit a budget request for 1992-1993 of \$500,000 for economic development in the Western Addition to replace these funds. The Agency would assign a contingent lien on equipment owned and operated by MTP which will be in full force and effect prior to the disbursement of Agency funds and shall provide that the lien be executed only in the event the project ceases to operate as outlined in the proposed plan. The African-American Economic

Empowerment Task Force recently appointed by the Mayor held an emergency meeting and has indicated its support. Letters indicating support of the project have been received from Supervisors Kennedy and Ward.

The following persons spoke in support of item (f): Connie Perry, African-American Economic Empowerment Task Force; Otis McGee, President, MTP; Geraldine Johnson, Coalition of Black Trade Unionists; Tumani Onabiyi, Wajumbe Cultural Institution; Debora Howard, Reflections Unlimited; and Dr. Eddie Welbon, President, Pastor's Conf. of San Francisco.

Several speakers noted that it would be preferable to disburse the entire \$500,000 at this time and remove the lien requirement because it could encumber MTP's chances of operating successfully.

Following an extensive discussion between the Commissioners, Staff and Mr. McGee, during which Mr. King noted his opposition to the lien requirement, the following resolutions were adopted:

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-91-A READING: "AUTHORIZING A \$500,000 GRANT AND/OR LOAN TO THE MINORITY TELEVISION PROJECT; AUTHORIZING A CONTRACT WITH DOUGLAS BROADCASTING IN AN AMOUNT NOT TO EXCEED \$25,000; AND AUTHORIZING THE SUBMISSION OF A BUDGET REQUEST FOR FISCAL YEAR 1992-93 FOR ADDITIONAL ECONOMIC DEVELOPMENT IN THE WESTERN ADDITION PROJECT AREA IN THE AMOUNT OF \$500,000" BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MR. KING OPPOSING, THAT RESOLUTION NO. 211-91-B READING: "AUTHORIZING THE AGENCY TO TAKE A SECURITY INTEREST IN CERTAIN PERSONAL PROPERTY IN CONNECTION WITH A \$500,000 GRANT AND/OR LOAN TO THE MINORITY TELEVISION PROJECT" BE ADOPTED.

Mr. Mardikian left the meeting at this time, 6:35 p.m.

President Bagot indicated that there would be a brief recess. The meeting recessed at 6:35 p.m. and reconvened at 6:40 p.m. with the same roll call except for Mr. Mardikian.

- (j) Gene Suttle, Senior Deputy Executive Director, introduced item (j), which requests authorization of a Small Business Loan in an amount not to exceed \$100,000 from the Western Addition Small Loan and Investment Program (Program) to Ms. Francee Covington dba: Francee Covington Productions to relocate her existing business to the Fillmore Center in the Western Addition A-2. In November 1989, \$500,000 was approved for the Program which was developed to provide below-market rate interest loans to qualified business enterprises wishing to establish or expand in the Western Addition Fillmore Center area. Covington Productions has been in business for four years and specializes in video production and Ms. Covington, who has had twenty years experience in the industry, proposes to relocate her existing business from

76 Gough Street to the Fillmore Center. The total project cost is \$140,000 and the \$100,000 loan being requested will be used for the purchase of machines and equipment, leasehold improvements and working capital. Following review by the Mayor's Office of Community Development Title IX Loan Committee and Agency staff, it has been concluded that the projected business income from the operations will be sufficient to service the loan debt and a \$100,000 loan for a term of five years at 8 percent interest per annum, subject to certain conditions, is recommended. Currently the firm employs one staff person but there are future plans to hire a marketing specialist and a producer/director/writer from a minority community to assist in the video production work.

In response to an inquiry from Ms. Tsen, Ray Jones, UEDC, indicated that the loan has equity participation of over \$100,000 and that each loan is considered on its merits.

In response to an inquiry from President Bagot, Leamon Abrams, Chief, Economic Development, indicated that in this instance tax increment funds are being used. There are not job requirements but there is a stated preference for jobs to go to area residents.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-91 BE ADOPTED.

- (g) Bill Rumpf, Chief, Housing Production and Management, introduced item (g), which requests execution of the Assignment Agreement assigning the Predevelopment Loan Agreement between the Agency and Bernal Heights Community Foundation (Foundation) to the Bernal Heights Housing Corporation (BHHC); and execution of a Second Amendment to the Predevelopment Loan Agreement dated May 23, 1991 between the Agency and BHHC which increases the loan amount by \$71,000 for a total loan amount of \$171,000. For the past eighteen months the Foundation has been planning an affordable family rental housing development to be located on the east slope of Bernal Heights behind the Farmer's Market. In March 1991, the Foundation established BHHC, a non-profit corporation, for the purpose of managing all housing related activities that the Foundation has been involved in and is in the process of assigning all of its housing related contracts and agreements over to the new corporation. It is therefore proposed to assign the existing predevelopment loan with the Agency which is related to the Market Heights development to BHHC. BHHC has requested the amount of the Predevelopment Loan Agreement be increased by \$71,000 to cover predevelopment expenses, which include items required by City Planning such as shadow and noise studies and additional traffic analysis. The Loan Committee of the City-wide Tax Increment Housing Program has approved the assignment and increasing the Predevelopment Loan Agreement by \$71,000.

The following persons spoke regarding item (g): Helen Helfer and Paul Turner, Bernal Heights Housing Corporation; and Lurilla Harris, Farmers Market Task Force.

In response to a concern noted by Ms. Harris, Mr. Turner indicated that BHHC would be pleased to conduct soils tests.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of Hazardous Materials/Waste Consulting Contract HM/WC-2 with Baseline Environmental Consulting in an amount not to exceed \$100,000 to conduct studies, oversight and mitigation activities related to Hazardous Materials and Waste Management in connection with all Redevelopment Project Areas and Development Sites designated by the Agency. Prior to the Agency entering into a contract to purchase/lease or otherwise obligate itself to a potential development site, there is a need to evaluate the presence of hazardous materials and toxic waste. Following evaluation of the qualifications of several environmental consultants, staff recommends Baseline which is a bona fide Woman Business Enterprise located in Emeryville, California.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-91 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to purchase Bayview Homes Ltd., II, Promissory Note secured by a Deed of Trust and other related loan documents from the Bank of California for an amount not to exceed \$80,000 plus related transaction costs and security instruments for Site X located on the easterly side of Keith Street at Hudson Avenue in Hunter Point. It is recommended this item be continued for thirty days to provide time for the current developer to demonstrate an effort is being made to develop the property.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT ITEM (i), RESOLUTION NO. 214-91, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 9, 1991 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (k) Mr. Helfeld introduced item (k), the purpose of which is for a discussion on the West Bay Community Center located at Eddy and Fillmore Streets in the Western Addition. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (k) WOULD BE CONTINUED TO THE MEETING OF AUGUST 20, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to transmit an additional Amendment to the proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area to the Board of Supervisors of the City and County of San Francisco.
- (b) Mr. Helfeld introduced item (b), which requests authorization to transmit an additional Amendment to the proposed Redevelopment Plan Amendment for Rincon Point-South Beach Redevelopment Project Area to the City Planning Commission of the City and County of San Francisco for its report and recommendation.

These are not agenda items and, in accordance with Brown Act regulations, a determination was made earlier at this meeting by the Commission that a necessity to take action on these items arose after posting of the agenda on August 9, 1991.

Subsequent to authorization on May 14, 1991 to transmit the Plan Amendment to the Board of Supervisors and the City Planning Commission, an inconsistency was discovered regarding the text portion of the Redevelopment Plan for the Oriental Warehouse which does not include housing as a permitted use. Therefore, it is recommended that the word "housing" be included in the list of permitted uses for the Oriental Warehouse.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos gave a progress report on the activities of the Center for the Arts Sub-Committee.
- (b) In response to an inquiry from President Bagot regarding community benefits City Planning is requiring on the market rate units being developed at South Van Ness and Mission, Mr. Helfeld indicated he would check and report back to the Commission.
- (c) In response to an inquiry from President Bagot regarding the Hunters Point Naval Shipyard, Mr. Helfeld indicated that a proposal has been presented to Deputy Mayor Claude Everhart, however, there are not enough funds in the budget to undertake the necessary studies. President Bagot indicated that if Mr. Everhart approves the proposal he would like public hearings held.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

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Central Blocks 1, 2 and 3 and East Block 2 In the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company; and

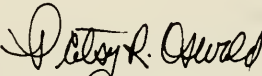
Whitney Young Circle at Newcomb Avenue in Hunters Point with Progress Seven Developers at City View.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

August 27, 1991

SF
R35
#4
8/15/91

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission met for a Special Meeting in Room 282, City Hall in the City of San Francisco, California, at 1:30 o'clock p.m. on the 15th day of August, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Gary Kitahata, Acting President
Sonia Bolanos
Leroy King
Haig G. Mardikian

and the following were absent:

Buck Bagot, President
V. Fei Tsen, Vice President

DOCUMENTS DEPT.

The Acting President declared that a quorum was present.

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On behalf of the City Planning Commission:

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Wayne Jackson Hu, President
Susan J. Bierman
Edward J. Elzey
Douglas J. Engmann
James B. Morales

Edward Helfeld, Executive Director of the Redevelopment Agency, and staff members were also present.

Also present were: Jean Kortum, Landmarks Preservation Advisory Board; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Rick Mariano, Chair, Citizens Advisory Committee for Rincon Point-South Beach; and Mike Gray, Reliance Development Group.

Joint Public Meeting with the City Planning Commission regarding the certification of the Supplemental Environmental Impact Report for the Rincon Point-South Beach Proposed Redevelopment Plan Amendment.

President Hu stated:

The purpose of this joint meeting of the City Planning Commission and the Redevelopment Agency Commission is to consider and evaluate the Supplemental Environmental Impact Report for the Proposed Redevelopment Plan Amendment for Rincon Point-South Beach Redevelopment Project Area. This document was prepared for review by the Commissions by the respective staffs of the Redevelopment Agency and the City's Office of Environmental Review in coordination with

their consultants Environmental Impact Planning Associates. It should be emphasized that the purpose of this joint meeting is to ascertain whether the Supplemental Environmental Impact Report for the Proposed Redevelopment Plan Amendment is an adequate document as required by applicable laws and ordinances; it is not the purpose of this meeting to examine the merits of the proposed Redevelopment Plan Amendment unrelated to environmental considerations.

George Williams and Barbara Sahn, City Planning Department; and Thomas Conrad, San Francisco Redevelopment Agency, made presentations on the Supplemental Environmental Impact Report.

The following persons spoke regarding this item: Jean Kortum, Landmarks Preservation Advisory Board; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Rick Mariano, Chair, Citizens Advisory Committee for Rincon Point-South Beach; and Mike Gray, Reliance Development Group.

Ms. Kortum and Mr. Ryser indicated that since they had only just received the document, there has not been time to review it. They noted their concern regarding preservation of the Oriental Warehouse.

Mr. Mariano and Mr. Gray noted their support of the Supplemental EIR for the proposed Redevelopment Plan Amendment.

After a general discussion between the City Planning Commissioners and the Redevelopment Agency Commissioners, motions were taken by each Commission to continue this meeting to August 22, 1991 to permit all parties time to review the document.

President Hu announced that this meeting would be continued to August 22, 1991, 1:00 p.m., Room 282, City Hall, for the purpose of further consideration of the Supplemental Environmental Impact Report for the Proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to August 22, 1991 at 1:00 p.m. The meeting adjourned at 2:30 p.m.

RECONVENED

At this time and date the meeting that was to reconvene at 1:00 p.m., August 22, 1991 was not held due to lack of a quorum and was adjourned to August 22, 1991 at 6:00 p.m.

RECONVENED

At this date and time the meeting reconvened at Room 282, City Hall, 6:30 p.m., on August 22, 1991.

The President called the meeting to order and on roll call the following answered present.

Minutes of a Special Meeting, August 15, 1991

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata

and the following were absent:

V. Fei Tsen, Vice President
Haig G. Mardikian

The President declared that a quorum was present.

On behalf of the City Planning Commission:

Wayne Jackson Hu, President
Susan J. Bierman
Romaine Boldridge
James B. Morales
Leonard Tom

Barbara Sahm, City Planning Department, and Vincent Marsh, Landmarks Preservation Board, made presentations of the Supplemental Environmental Impact Report and Addendum.

Ms. Sahm noted that as a result of the hearing process there has been changes made to the Addendum and read the changes into the record.

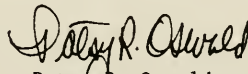
Resolution No. 216-91 adopting findings and mitigation measures made pursuant to the California Environmental Quality Act and Staste Guidelines in connection with the Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area and then acted upon by the Agency as follows:

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-91 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Please Note: A full transcript by the Court Reporter of these proceedings is on file with the Agency Secretary.

APPROVED

September 24, 1991

SF
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#4
8/20/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of August, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- Sonia Bolanos
- Leroy King
- Gary Kitahata
- Haig G. Mardikian

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and the following was absent:

- V. Fei Tsen, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Reverend Amos Brown; Ace Washington, WAPAC; Michael Stanton, Architect for the West Bay Community Center; Larry McEwen, MGA Partners; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations, Inc.; Arnold Townsend; Elizabeth Byas, Supervisor Ward's Office; Orelia Langston; Richard Brown, Ella Hill Hutch Community Center; Essie Collins; Ocie Mae Rogers; and Katherine Nash, WANA.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is requested that item 6 (e), a First Amendment to the Agreement for Legal services with Steefel, Levitt & Weiss be continued for one week.
- (b) On August 22 at 1:00 p.m., there will be a continued Special Meeting of the Agency for the purpose of holding a joint meeting with the City Planning Commission to consider a resolution to Certify the Supplemental Environmental Impact Report for the proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area. A quorum is required for this meeting. The August 22 meeting was continued to permit time for historic groups to review the document.
- (c) There will be a Special Meeting on August 26 at 3:00 p.m., for the purpose of holding a joint meeting with the Board of

Minutes of a Regular Meeting, August 20, 1991

Supervisors to consider the proposed Rincon Point-South Beach Redevelopment Plan Amendment. A quorum is also required for this meeting.

- (d) On August 19 at 3:00 p.m. there was a building dedication ceremony of the Washburn Street Residence at 38-42 Washburn Street.
- (e) At the August 27 meeting a workshop will be held for presentations by three proposers for the operation of a Child Care Center in Yerba Buena Center.
- (f) On August 15, at the request of President Bagot, Gene Suttle, Senior Deputy Executive Director, attended the first annual Job Fair at the Ella Hill Hutch Community Center (EHHCC). It was a very successful event funded by the Agency's Construction Coordinating Contract with EHHCC under the General Employment Component. There were more than 40 booths representing corporate, government and non-profit employers and training programs. Over 600 young people from all neighborhoods of San Francisco and ethnic backgrounds attended. EHHCC intends to make the Job Fair an annual event in the employment program.
- (g) The Commissioners have been provided with letter which indicates the Board of Supervisors is having the Budget Analyst conduct a management audit of the Redevelopment Agency's operations.
- (h) Bill Rumpf, Chief, Housing Production and Management, gave a report on the status of the Agency's Relocation Certificate Program.

Mr. Kitahata requested a copy of the report be transmitted to John Elberling, TODCO, and the South of Market Problem Solving Council.

- (i) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) for businesses in the Fillmore Center and Bayview Plaza.

President Bagot requested staff contact the owner of the Monte Carlo restaurant on Yosemite and Mary Trammell of Ella Hill Hutch Community Center who are interested in getting business assistance. He noted that Ms. Trammell is working with a group interested in improving Third Street.

- (j) The Mayor will be holding a Press Conference on August 21 at 9:30 a.m. concerning the Minority Television Project and all Commissioners are invited to attend.
- (k) A letter has been received from the African-American Empowerment Task Force requesting a meeting be arranged as soon as possible for a presentation on the status of the Hunters Point Naval Shipyard. They are also requesting that the City Planning

Commission to not take action on the South Bayshore Plan until the Task Force has had time for review and comment.

President Bagot indicated he would like to attend the meeting.

Mr. Helfeld indicated that following review by Agency and City staff, a proposed 1991-1992 budget for the Hunters Point Shipyard has been submitted to the City indicating the level of Agency funding available which indicates a shortfall of approximately \$500,000.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Predevelopment Loan Agreement in an amount not to exceed \$142,000 with GP/TODCO for the development of 241 Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area. The LDA entered into with Tenants and Owners Development Corporation (TODCO) on July 30, 1991 has been assigned to GP/TODCO which is the general partner of the limited partnership created for the purpose of obtaining low income housing tax credits. GP/TODCO is requesting \$142,000 to pay predevelopments costs associated with the project which will consist of 140 low-income single room occupancy units. The developer is working with the Agency to ensure compliance with the Agency's affirmative action program in contracting predevelopment consultants as well as construction contractors. A full affirmative action program is required to be submitted by October 2, 1991. At present the developer has \$198,000 of the \$680,000 estimated consulting work to be contracted with MBE's and/or WBE's, which is 29 percent. The loan will be secured by a deed of trust on the site to be recorded concurrently with the recording of conveyance of the site to GP/TODCO pursuant to the LDA. Prior to conveyance of the site, the loan will be unsecured.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), the purpose of which is for a discussion on the West Bay Community Center in the Western Addition A-2.

Edmund Ong, Chief of Architecture, made a presentation on the proposed design solution to resolve concerns expressed by West Bay regarding the quality of construction of the Center and Byron Rhett, Project Coordinator for the Western Addition A-2, described the financial implications of the proposed design solution. He noted that Fillmore Center Associates has financial problems and has frozen funds for the Community Center.

The following persons spoke regarding item (b): Reverend Amos Brown; Ace Washington, WAPAC; and Michael Stanton, Architect for the West Bay Community Center.

Mr. Helfeld indicated that staff will be consulting with the Mayor's Office and will bring a recommendation to the Commission at the August 27, 1991 meeting.

Ms. Bolanos left the meeting at this time, 5:30 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to purchase a Computer, Printer and related equipment in an amount not to exceed \$6,500 for the Engineering and Rehabilitation Division. The Division is presently using an outdated word processor which is becoming increasingly difficult to service and the new computer and related hardware will provide a line to other computers in the Division and be connected to the Agency's System 400. This proposed expenditure is in accordance with the Agency's program to computerize its operations for increased efficiency and productivity.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Land Disposition Agreement with Taldan Investment Company for the purchase and development of Parcel 3751-H located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. It is requested that this item be continued for two weeks.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 220-91, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 3, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of an Eighth Amendment to the Architecture Agreement with MGA Partners for additional services relating to the Martin Luther King, Jr. Memorial (Memorial), Esplanade site well, visually impaired access, security and emergency exiting in connection with Yerba Buena Center. The proposed amendment funds architectural services for a number of items not included in the original Esplanade scope of work which include: the Artist's Design Development and Documentation for the Memorial; provision of a site well requested by the Water Department to avoid use of the public water supply for the fountains and irrigation throughout the Yerba Buena Gardens; talking signs and a tactile site model requested by the City's Accessibility Task Force to make the site more usable by the visually impaired; a restroom entry and general site surveillance; and changes to the emergency exiting, the Gardens administration building and the west edge of the Esplanade to better accommodate the entertainment development proposed by Olympia & York. Funds are available within the budgets for design and construction of the Esplanade. The Commissioners have been provided with details of the firm's

affirmative action program. Fifty-nine percent of the proposed amendment is allocated to minority or woman owned business enterprises who act as sub-consultants to MGA.

The following persons spoke regarding item (c): Larry McEwen, MGA Partners; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations, Inc.; and Arnold Townsend.

Mr. McEwen described the firm's affirmative action hiring efforts.

The Commissioners noted their concern at MGA's affirmative action performance relative to staff.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Eighth Amendment for \$123,000 to the Architecture Agreement with Robinson, Mills and Williams (RMW) for additional services relating to Moscone Center coordination, Cultural Board requests and fixtures, furnishings and equipment in connection with Yerba Buena Center. The contract, originally authorized in January 1988 in an amount of \$1.675 million, was amended in October 1990 when the total contract amount was increased to \$1.853 million. The proposed amendment brings the total contract amount to \$1.976 million. The funds will provide additional services to: revise the building's Final Construction Documents to incorporate changes and actual field conditions resulting from construction of the Moscone Center; include additional building items requested by the Cultural Operating Board; provide design programming of the Visual Arts Center's furnishings, fixtures and equipment; and provide contingency funds for other additional services which may be required during the construction phase of work. Payment will be made from fixtures, furnishings and equipment and design contingency funds which are included in the overall Visual Arts Center and Fixures, Furnishings and Equipment project budgets. The Commissioners have been provided with details of the firm's affirmative action program. Approximately two-thirds of the amendment amount would go to engineering and other technical subconsultants to RMW, including 26 percent to minority-owned businesses enterprises and 2.4 percent to woman-owned business enterprises.

The Commissioners noted their concern regarding the firm's affirmative action program.

Elizabeth Byas of Supervisor Ward's Office, noted that if architectural firms are finding it difficult to recruit minorities, it is suggested a contribution be made to a scholarship fund for minority students.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment to the Legal Agreement Agreement with Staefel, Levitt & Weiss in connection with all Redevelopment Project Areas. It is recommended this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 223-91, WOULD BE CONTINUED TO THE MEETING OF AUGUST 27, 1991, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

UNFINISHED BUSINESS (Continued)

- (a) Gene Suttle, Senior Deputy Executive Director, reported on TODCO's affirmative action program relative to staff. 64 percent are minority and of those 14 percent are Filipino, 43 percent are Asian or Pacific Islanders and 7 percent are Hispanic. There are no Black staff members. 50 percent of the staff are female and all are professionals.

Richard Brown, Ella Hill Hutch Community Center, noted his concern that Black people are being under-represented.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Orelia Langston, Essie Collins, Harold B. Brooks, Jr; Ace Washington and Richard Brown, Ella Hill Hutch Community Center (EHHCC), noted their concern that funds for the Minority Television Project (MTP) are being taken from the Economic Development funds for the Western Addition and there is no guarantee they will be put back. Also that, although the African-American Economic Empowerment Task Force had met and approved the \$500,000 grant, community organizations were not consulted.

Mr. Helfeld noted that a public benefits package is being negotiated and \$500,000 in Economic Development Funds for the Western Addition will be requested in the 1992-1993 budget.

In response to an inquiry from Mr. Kitahata, Leamon Abrams, Chief, Economic Development, indicated that a Draft Grant Agreement has been transmitted to MTP.

Mr. Kitahata indicated he would like staff to review the Community Benefits Package.

- (b) Richard Brown, EHHCC, reported on the Job Fair held on August 15 at the Ella Hill Hutch Community Center.

President Bagot announced that there would be six Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's

Minutes of a Regular Meeting, August 20, 1991

real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

parcels bounded by Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates; and

easterly side of Keith Street at Hudson Avenue (Site X) in Hunters Point with Dukes and Dukes; and

Whitney Young Circle at Newcomb Avenue in Hunters Point with Progress Seven Developers; and

northwest corner of Keith Street in Hunters Point with Future Perfect, Inc.

There is an additional Closed Session that arose subsequent to the posting of the agenda on Friday, August 16, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

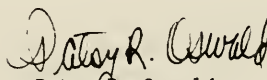
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON AUGUST 16, 1991.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the San Francisco Naval Shipyards and the entity the Agency may negotiate with is the United States Navy.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to seven Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 17, 1991

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8/26/91

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting with the Board of Supervisors of the City and County of San Francisco at the Legislative Chambers, City Hall, in the City of San Francisco, California at 3:00 o'clock p.m. on the 26th day of August, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

- Gary Kitahata, Acting President
- Sonia Bolanos
- Leroy King
- Haig G. Mardikian

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and the following were absent:

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- Buck Bagot, President
- V. Fei Tsen, Vice President

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The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

The following members of the Board of Supervisors were also present:

- Doris M. Ward, President
- Roberta Achtenberg
- Angela Alioto
- Jim Gonzales
- Terence Hallinan
- Tom Hsieh
- Willie B. Kennedy
- Bill Maher
- Carole Migden
- Kevin F. Shelley

Also present were: Don Andreini, Foundation for San Francisco's Architectural Heritage; and Maria Martinez.

Joint Public Hearing between the Board of Supervisors of the City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco on the Proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area.

President Ward and Acting President Gary Kitahata opened the Joint Public Hearing to hear all persons interested in this matter.

Mr. Helfeld made a presentation on behalf of the Redevelopment Agency and responded to questions from the Supervisors.

Don Andreini, Foundation for San Francisco's Architectural Heritage, noted that the Foundation is concerned with the language the Plan Amendment contains regarding preservation of the Oriental Warehouse.

Maria Martinez noted her opposition to hotels on the waterfront.

There being no further persons wishing to appear in connection with this matter, President Ward and Acting President Gary Kitahata declared the Joint Public Hearing closed.

The Supervisors noted their concern at the inclusion of a hotel use on Site C-1 and the granting of additional height without the assurance that the Oriental Warehouse will be restored as currently required by the Redevelopment Plan.

President Ward announced that this meeting would be continued to September 9, 1991, 3:00 p.m., at the Legislative Chambers, City Hall, for the purpose of further consideration of the Proposed Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area.

A transcript of the proceedings by the Court Reporter is on file with the Redevelopment Agency Secretary.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to September 9, 1991 at 3:00 p.m. The meeting adjourned at 4:35 p.m.

RECONVENED

At this date and time the meeting reconvened at the Legislative Chambers, City, Hall, 3:20 p.m. on September 9, 1991, with the following roll call:

Gary Kitahata
Leroy King
Haig G. Mardikian

Edward Helfeld, Executive Director, and staff members were also present.

At this time there was no quorum, however, it was decided to proceed with the hearing.

The following members of the Board of Supervisors were also present:

Doris M. Ward, President
Robert Achtenberg
Angela Alioto
Terence Hallinan
Tom Hsieh
Willie B. Kennedy

Bill Maher
Carole Migden
Kevin F. Shelley

Mr. Helfeld made a presentation on behalf of the Redevelopment Agency and responded to questions from the Supervisors. He noted that it is believed the concerns expressed by the Supervisors regarding a hotel use on Site C-1 and granting of additional height without the assurance that the Oriental Warehouse will be restored as currently required by the Redevelopment Plan have been addressed by further amendments.

At this time a quorum was established when Ms. Tsen arrived at 3:25 p.m., during Mr. Helfeld's presentation.

Supervisor Hsieh indicated he was not satisfied that the concerns had been satisfactorily addressed.

Upon advice from the City Attorney, Supervisor Shelley withdrew a motion to continue the hearing on the proposed Plan Amendment with the exception of the portion relating to Site C-1 and made the following motion:

MOTION: IT WAS MOVED BY SUPERVISOR SHELLEY THAT FURTHER CONSIDERATION OF THE PROPOSED AMENDMENT TO THE RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN BE CONTINUED TO SEPTEMBER 16, 1991, 3:00 P.M., AND ON ROLL CALL THE FOLLOWING SUPERVISORS VOTED "AYE":

Roberta Achtenberg
Terence Hallinan
Tom Hsieh
Willie B. Kennedy
Bill Maher
Carole Migden
Kevin F. Shelley
Doris Ward

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

PRESIDENT WARD THEREUPON DECLARED THAT THE MOTION CARRIED.

A transcript of the proceedings by the Court Reporter is on file with the Redevelopment Agency Secretary.

Minutes of a Special Meeting, August 26, 1991
(Continued to September 9, 16, 23, October 7 and November 12, 1991)

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to September 16, 1991 at 3:00 p.m. The meeting adjourned at 3:50 p.m.

RECONVENED

The meeting reconvened on September 16, 1991 at 3:00 p.m., and was adjourned due to lack of a quorum to September 23, 1991 at 3:00 p.m.

RECONVENED

The meeting reconvened on September 23, 1991 at 3:00 p.m. and was adjourned due to lack of a quorum to October 7, 1991 at 3:00 p.m.

RECONVENED

The meeting reconvened on October 7, 1991 at 3:00 p.m. and was adjourned due to lack of a quorum to November 12, 1991 at 3:00 p.m.

RECONVENED

At this date and time the meeting reconvened at 3:00 p.m., on November 12, 1991.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanas
Gary Kitahata
Haig G. Mardikian

and the following was absent:

Leroy King

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rick Mariano, Citizens Advisory Committee for Rincon Point-South Beach; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Mark Paez, Department of City Planning and representing the Landmarks Preservation Advisory Board; Michael Gray, Reliance Development Group; Ace Washington, WAPAC; and Denhart Queen.

The following members of the Board of Supervisors were also present:

Supervisor Kennedy, Acting President
Roberta Achtenberg
Angela Alioto

Harry G. Britt
Jim Gonzales
Terence Hallinan
Carole Migden

Re-opening of the Joint Public Hearing on the further proposed changes to the proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area.

Acting President Kennedy and President Bagot re-opened the Joint Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced Resolution No. 294-91, which requests approval of the further proposed changes to the proposed Amendment to the Redevelopment Plan for Rincon Point-South Beach Project Area, and refers and recommends same to the Board of Supervisors of the City and County of San Francisco.

Mr. Helfeld introduced Resolution No. 295-91, which requests adoption of Findings and Mitigation Measures made pursuant to the California Environmental Quality Act and State Guidelines in connection with the Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area.

Mr. Helfeld introduced Resolution No. 296-91, which requests approval of the proposed Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area, and refers and recommends same to the Board of Supervisors of the City and County of San Francisco.

He noted that at the Joint Public Hearing on August 26, 1991, the Supervisors raised concerns regarding the restoration treatment of the Oriental Warehouse and the height of surrounding structures within the South Beach sub-area. Agency staff was directed to formulate appropriate restoration measures for the Oriental Warehouse in conjunction with the Foundation for San Francisco's Architectural Heritage. Negotiations between Agency staff and Heritage were successful and have resulted in the incorporation of certain sections of Article 10 (Preservation of Historical, Architectural and Aesthetic Landmarks) of the San Francisco City Planning Code into the proposed Redevelopment Plan Amendment to further ensure the restoration and adaptive re-use of the Oriental Warehouse.

The Joint Public Hearing was re-opened by Acting President Kennedy and President Bagot for the limited purpose of considering the further proposed changes to the proposed Amendment to the Redevelopment Plan for the Rincon Point-South Beach Redevelopment Project Area.

The following persons spoke in support of the proposed Redevelopment Plan Amendment: Rick Mariano, Citizens Advisory Committee for Rincon Point-South Beach; Mark Ryser, Foundation for San Francisco's Architectural Heritage; Mark Paez, Department of City Planning and

representing the Landmarks Preservation Advisory Board; and Michael Gray, Reliance Development Group.

Mr. Paez indicated that the Landmarks Preservation Advisory Board has reviewed the changes and recommends approval.

The following persons spoke in opposition to the proposed Redevelopment Plan Amendment: Ace Washington, WAPAC; and Denhert Queen.

Mr. Helfeld responded to questions from Supervisor Migden regarding preservation of the Oriental Warehouse.

Supervisor Achtenberg expressed appreciation to the Redevelopment Agency Commission and staff for their cooperation in addressing concerns raised by the Board.

There being no further persons wishing to appear in connection with this matter, Acting President Kennedy and President Bagot declared the Joint Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-91 BE ADOPTED.

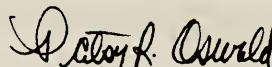
ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-91 BE ADOPTED.

A transcript of the proceedings by the Court Reporter is on file with the Redevelopment Agency Secretary.

ADJOURNMENT:

It was moved by Ms. Tsen, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

December 11, 1991

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8/27/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF AUGUST, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 27th day of August, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following were absent:

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V. Fei Tsen, Vice President
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Reverend Amos Brown; Judith Baker, St. Patrick's Day Care Center, Amy Rensch, YWCA; Lynne Beeson and Lyn Knox, Mayor's Office of Child Care; Michael McCone, California Historical Society; Marsha G. Harris; U.S. Environmental Protection Agency; Sonya Jones, Young Community Developers; Q. Neal Carter, Third Baptist Church; Nancy Rost, San Francisco Recreation and Parks Department; Katherine Nash, WANA; and Alu Nakahito, SFCC-Parent Education.

President Bagot indicated that item 5 (a) would now be taken-up.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement to the Financing Agreement with West Bay Local Development Corporation, Fillmore Center Associates and the Agency to provide \$150,000 to fund certain design changes to the Community Services Building located at the southeast corner of Eddy and Turk Streets in the Western Addition A-2. Subsequent to a Land Disposition Agreement, authorized in the fall of 1988, for the construction of 1,113 residential units, commercial space and a Community Services Building to be owned and operated by West Bay, Fillmore Center Associates indicated that they did not have the necessary funds to complete the Community Center building and the Agency provided an additional \$1.2 million to assure its completion. This funding being requested by West Bay is to modify the mechanical system in the multipurpose room and the main lobby of the Center and this will result in completion

of construction being extended from mid-November into December. The revised design will necessitate new working drawings, removing work already in place, ordering new equipment and delaying work items that are contingent on the mechanical system being in place. The additional funding would increase the Agency's portion of the construction funds to a total of \$1.350 million. The Mayor's Office of Community Development will be contributing \$250,000 and approximately \$98,000 needs to be raised by West Bay.

Reverend Amos Brown expressed appreciation to the Commissioners, Staff and the Mayor's Office for their assistance which has resulted in a first class building being assured.

In response from an inquiry from President Bagot, Mr. Helfeld indicated there is verbal agreement from Citicorp that monies will be made available as necessary regardless of financial difficulties with Fillmore Center Associates. This will become an issue in October when the money runs out and staff will keep the Commissioners advised of developments.

President Bagot requested the Commissioners be advised two weeks before the deadline to provide time to review the situation. He further indicated a willingness to assist West Bay in raising the \$98,000 by contacting foundations that fund materials and equipment for neighborhood centers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-91 BE ADOPTED.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of August 6, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of August 13, 1991, as distributed by mail to the Commissioners, be approved.

With respect to the August 13 minutes, President Bagot inquired regarding developer exactions City Planning is requiring on the market rate units being developed at South Van Ness and Mission. Mr. Helfeld indicated he would check and report back to the Commission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a Continued Special Meeting on September 9, 1991 at 3:00 p.m. for the purpose of holding a joint meeting with the Board of Supervisors for the proposed Rincon Point-South Beach Plan Amendment. A quorum is required for this meeting. The meeting was continued because the Board was concerned at the

inclusion of a hotel use on Site C-1 and the granting of additional height without the assurance that the Oriental Warehouse will be restored as currently required by the Redevelopment Plan. It is believed that both concerns can be dealt with by further amendments.

- (b) The Commissioners have been provided with the names of the Hunters Point Shipyard Citizens Advisory Committee and will be advised when the group meets.
- (c) The conditions the African-American Coalition for Economic Opportunity imposed on the Minority Television Project (MTP) are not necessarily in the Agency's grant agreement with MTP. The notes of one participant who attended the meeting between MTP and the Coalition have been provided to the Commission.
- (d) A Workshop will be held at the September 3 meeting for presentations by three proposers for the operations of the Ice Rink/Bowling Center at Yerba Buena Center.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the bowling center will require ongoing subsidies which are anticipated will be provided from revenues of the ice rink.

- (e) The American Red Cross has selected the Agency to serve as the Loan Fund Manager for a \$500,000 predevelopment loan pool that will be made available for housing developments to replace housing damaged or lost in the October 1989 earthquake. The Agency will receive \$45,000 for managing the loan program.
- (f) Bill Rumpf, Chief of Housing reported on the recommendations of the Tax Credit Allocation (TAC) Committee for low-income housing tax credits for San Francisco projects which will be announced shortly. The Fillmore Market Place project will be recommended but that the TODCO Knox Hotel, a single room occupancy (SRO) development, will not, which is disappointing because building units on the site of the former Anglo Hotel is a key element of the South of Market Redevelopment Plan. The tax credits are awarded based on a point system with a maximum of 100 points, however, SRO developments can only gain a maximum of 90 points because they do not have three bedroom units. Although the Knox Hotel received the maximum number of points, its application was not even reviewed by TAC staff because projects will need more than 90 points to get in this round. Staff has contacted CALDAP staff and urged them to reserve an allocation of CALDAP funds for the Knox Hotel project until the next tax credit round.

President Bagot requested Mr. Rumpf endeavor to have the recommendation for the Knox Hotel modified.

- (g) The Commissioners have been provided with an invitation to a Press Conference being held by the Minority Television Project on August 28 at 11:00 a.m. at the San Francisco Athletic Club.

There will also be a reception at the Atheletic Club on August 31 from 6:00 to 9:00 p.m.

- (h) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

Mr. Suttle indicated that in response to a request from President Bagot, staff contacted the owner of the Monte Carlo Restaurant on Yosemite who does not want a loan but is interested in developing an adjacent property and staff has indicated a willingness to give advice. Mary Trammell of the Ella Hill Hutch Community Center and several other people are in the early stages of starting a business in the Western Addition and when ready for assistance they will contact UEDC.

President Bagot requested staff investigate whether the Agency can be of assistance in continuing the street cleaning program on Third Street.

President Bagot indicated he had received materials from the Women's Initiative for Self-Employment (WISE) and is impressed with those materials. He requested staff circulate the WISE material to the Commissioners. He noted that he is not satisfied with UEDC's performance and requested staff check other entities that can help Black people who want to start new businesses more effectively and consider the possibility of working with them. He inquired regarding UEDC's cash flow and its marketing efforts and requested a weekly report on UEDC's outreach efforts.

NEW BUSINESS- CONSENT AGENDA

At the request of President Bagot, item (d) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing the subordination of the Agency's Third Mortgage to a new First Mortgage, covering Unit 80 in Mariners's Village, located at 141 Nautilus Drive; Hunters Point.
- (b) Adoption of an Amendment to the Design for Development for the Rincon Point-South Beach Redevelopment Project.
- (c) Authorizing an Amendment to Resolution No. 158-90 at the request of the Mayor's Office of Housing and Community Development (MOHCD) to substitute Asian Neighborhood Design for Youth Activities of the Archdiocese and Dolores Street Community Center as funding recipient in an amount not to exceed \$46,944.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH AND INCLUDING ITEM (c), RESOLUTION NUMBERS 226-91 THROUGH AND INCLUDING 228-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendment to the Land Disposition Agreement with Harrison Development, Inc. for the development of Parcel 3763-A located at the southwest corner of Third and Harrison Streets in Yerba Buena Center. The Developer has requested an extension to December 11, 1991 for submission of evidence of financing, but the scheduled conveyance date of March 11, 1992 would not change. Given the difficulties being experienced by all developers in obtaining project financing and the developer's record on meeting other performance dates, staff recommends approval of this extension.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that staff is working on formulating a policy regarding extensions which will be brought before the Commission for review and approval.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-91 BE ADOPTED.

- (e) Helen Sause, Project Director, Yerba Buena Center, introduced item (e), which is a workshop for presentations by three Proposers to develop a program for the operation of the Child Care Center in the Yerba Buena Gardens in Yerba Buena Center. Subsequent to the issuance of a Request for Qualifications, a Sub-Committee of the Child Care Advisory Committee is currently evaluating the responses by: Cross Cultural Family Center, St. Patrick's Day Care Center and the YWCA. It is important to select an operator to work with architects Adele Santos and Paul Friedberg during the design phase and it is anticipated that a recommendation will be made to the Commission at the September 27, 1991 meeting. The Cross Cultural Family Center has advised that due to a scheduling conflict they are unable to make a presentation at this meeting, however, a written summary of their qualifications has been provided to the Commissioners.

Judith Baker made a presentation for the St. Patrick's Day Care Center and Amy Rensch made a presentation for the YWCA.

Lynne Beeson, Mayor's Office of Child Care, noted that everything possible is being done to make this project economically viable and to make childcare affordable for the working poor.

President Bagot requested a breakdown of the proposers' staffs by ethnicity and details of their affirmative action programs and Ms. Sause indicated this information would be provided to the Commission.

President Bagot requested that a list of the Board of Directors be provided of non-profit organizations that appear before the Commission.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Third Agreement to the Land Disposition Agreement (LDA) with Griffin/Related Properties VII regarding the proposed occupancy of the Jessie Hotel by the California Historical Society (Society) and revision of the Schedule of Performance in connection with East Block 1, Parcel 3707-A, located at the northeast corner of Third and Mission Streets in Verba Buena Center. Subsequent to authorization of the LDA on May 1, 1990, it has been amended on two occasions. The amended LDA provides for the development of an office building with ground floor retail and for renovation of the existing Jessie Hotel by the Developer. The Third Amendment contains an outline of some of the possible terms regarding occupancy of the Jessie Hotel by the Society. Certain LDA requirements have been complied with, however, the Developer is unable to meet the scheduled performance dates for submission of final construction documents, evidence of financing and conveyance of the site. It is proposed to extend the performance schedule by 90 days in order for the Developer to explore financing arrangements. This extension will result in the base price of the parcel being increased by \$160,420.

In response to an inquiry from President Bagot, Mr. Helfeld indicated he did not believe it to be in the interests of the Agency to agree to the California Historical Society moving in the Jessie Hotel until it is certain the developer will proceed because it could jeopardize rehabilitation of the hotel.

Michael McCone, California Historical Society, indicated that the Society would like a signed agreement with the same terms the Agency has with Griffin.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (i) The Commissioners have been provided with a Draft Comprehensive Housing Affordability Strategy prepared by City Planning. If the Commissioners have any comments that should be transmitted to the Mayor's Office of Housing and Community Development or to City Planning, this should be done within the week.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot inquired regarding agenda items for the September 3 meeting in order to determine if it is necessary to hold a

meeting on that date. Mr. Helfeld indicated he would check and report back to the Commission.

President Bagot announced that there would be four Closed Sessions to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 2 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin/Related Properties VII; and

easterly side of Keith Street at Hudson Avenue (Site X) in Hunters Point with Dukes and Dukes;

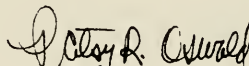
Whitney Young Circle at Newcomb Avenue in Hunters Point with Progress Seven Developers.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 17, 1991

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9/10/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF SEPTEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 10th day of September, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following were absent:

V. Fei Tsen, Vice President (Arrived 4:25 p.m.)
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ray Jones, Urban Economic Development Corporation (UEDC); Rudi Faultus; Richard McMichael; Rosemarie McMichael; Mai Coggin; Rolland Langbecker; Claire Pilcher; Dorothy Johansen; Jory Johansen; Winn Pickens; Ernest Bereghino; Barbara and Gordon MacDonnell; Lu Blazej, City Planning Department; Katherine Nash, WANA; Bill Morrison; Mike Mahoney; R. Howe; Stanley Yerbes; Victor Gonzales; and Anita Hill, Yerba Buena Gardens Marketing Alliance.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of June 25, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of July 2, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of July 9, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Bagot indicated that he had received a note from Ben Hattem, Agency Affirmative Officer, expressing appreciation to the

Commission for flowers sent to him during his recovery from a back injury.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A workshop for presentations by three proposers for the operation of the Ice Rink/Bowling Center at Yerba Buena Center has been rescheduled for the meeting of September 17.
- (b) Groundbreaking ceremonies for BRIDGE Housing Corporation's Steamboat Point (formerly Site K) for 108 family apartments will be held on September 11, 11:00 a.m., at the corner of Townsend and Embarcadero.
- (c) On September 18, 11:00 a.m., there will be a groundbreaking ceremony at the South Bayshore supermarket located at 345 Williams Avenue. Cala Foods will start its rehabilitation work on the supermarket this month. With regard to the supermarket, there is a Cala Screening Committee that has been pre-screening applicants to fill the 50 jobs that Cala Foods has allocated to the community residents. Job training will begin in early October at the Southeast Community College.
- (d) Ray Jones, Urban Economic Development Corporation (UEDC), summarized a report by UEDC of their current clients; narratives on business outreach efforts and other business development programs that UEDC is currently undertaking.

Ms. Tsen arrived at this time, 4:25 p.m., during Mr. Jones' presentation.

President Bagot indicated that this report clarified the process for him and requested such reports be provided to the Commissioners on a monthly basis.

Mr. Helfeld left the meeting at this time, 4:30 p.m.

REPORT OF THE PRESIDENT (Continued)

President Bagot requested the Commissioners be provided with publications from the Black Chamber of Commerce, the Hispanic Chamber of Commerce and other ethnic Associations. He also requested a list of the Cala Screening Committee members.

President Bagot indicated that item 5 (a), Unfinished Business, would be taken-up when Mr. Helfeld returned to the meeting.

NEW BUSINESS- CONSENT AGENDA

At the request of President Bagot, item (d) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing an expenditure of funds not to exceed \$9,000 for replacement of computer equipment.
- (b) Authorizing an expenditure of up to \$5,950 to purchase a computer, printers and related equipment and software for the Hunters Point, India Basin, Western Addition Project Area, the Real Estate Division and the Architecture Division.
- (c) Approving a Drug Free Workplace Notice and Policy.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (c), RESOLUTION NO. 231-91 THROUGH AND INCLUDING RESOLUTION NO. 233-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Gene Suttle, Senior Deputy Executive Director, introduced item (d), which requests authorization for the Executive Director to Enter into a Sublease of the South Beach Harbor to the Redevelopment Financing Authority, Assign all licenses for berth space to the Authority, Leaseback the Harbor from the Authority, Accept the Reassignment of all Berth Licenses, and execute any and all related documents in connection with Rincon Point-South Beach.

In response to an inquiry from President Bagot regarding the Parks and Recreation Department taking over the operation of the South Beach Harbor, Mr. Suttle indicated that this is still an option.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-91 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in variances for a portion of a parcel on Miguel Street below #2 Everson Street; Diamond Heights.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Edmund Ong, Chief of Architecture, introduced item (e), which requests granting of Front and Rear Yard Variances for the development by Gordon and Barbara MacDonnell (Owners) of a Single Family Home on a parcel on Miguel Street below number 2 Everson Street, a portion of Lot 40, Assessor's Block 7542, in Diamond Heights. The parcel which extends from Everson Street down to Miguel Street was purchased from the Agency in April 1970 and subdivided into two separate lots which permitted the construction of two single family homes. The owners proceeded with the development of only one home due to difficulty in

obtaining financing to construct two homes. Although the owners' existing home was constructed on the upper lot fronting on Everson Street, a portion of the home overlapped the lower lot fronting on Miguel Street, resulting in the two lots being combined into one by the City and County Assessor. The owners now wish to resubdivide the parcel into two lots, build a smaller home on Miguel Street in which they would reside, and sell the home on Everson Street. In order to accommodate the proposed new building design, a variance from the Redevelopment Plan is being requested from the 5 feet front yard requirement to 0 and the 25 foot rear yard setback requirement to 15 feet. Since a number of the adjacent, existing properties on Miguel Street are built out to the front property line, it seems reasonable to permit the proposed development to do likewise. Also, on the rear yard setback, City Planning only requires 15 feet. Staff has reviewed the Schematic Design and recommends approval of the variance request. In addition, the Diamond Heights Community Association has approved the proposed design and no objections were raised initially by property owners that live in the vicinity of the project who signed a petition attached to the memorandum sent to the Commissioners. However, it was subsequently learned that a number of those property owners are opposed to granting of the variances. It should be noted that on October 7, 1991 the Redevelopment Plan will expire and the project will no longer be under the Agency's jurisdiction, but subject to City Planning codes.

Mr. Helfeld returned to the meeting at this time 4:41 p.m., during Mr. Ong's presentation.

The following persons spoke in opposition to item (e): Rudi Faltus; Richard McMichael; Susan Faltus-Meltesen; Rosemarie McMichael; Mai Coggin; Rolland Langbecker; Claire Pilcher; Dorothy Johansen; and Jory Johansen.

At this time, 5:05 p.m., during the speaker presentations, President Bagot left the meeting and turned the Chair over to Ms. Tsen. He returned at 5:15 p.m. and resumed the Chair.

The speakers noted their concerns that the project would be detrimental to the neighborhood because of: decreased parking; traffic problems; there would be a narrower street; a smoke hazard caused by two proposed fireplaces; and soils stability.

Barbara and Gordon MacDonnell spoke in support of granting the variances. Mr. MacDonnell indicated that he had not been aware there were objections to the variances and addressed the issues raised by the speakers. He noted that he had been endeavoring to bring the variances before the Commission for four months in order to put the existing house on the market.

Winn Pickens suggested the Commissioners take a site tour.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

President Bagot indicated he would like to see a compromise between the developer and neighbors and suggested the item be held for a week to try to resolve the differences.

In response to an inquiry from Ms. Tsen, Lu Blazej, City Planning Department, indicated that after October 7, 1991, the permits would be before the Department for review and subject to City Planning codes.

An extensive discussion ensued between the Commissioners, staff and Mr. McDonnell, during which Mr. King noted that the matter should be referred to City Planning who will have complete jurisdiction over the project after October 7. Mr. Kitahata noted that the Agency is only involved in the variance issue and not in the other matters raised by the speakers which will be dealt with by City Planning.

David Madway, Agency General Counsel, noted his concern that a denial of the variance today under the Redevelopment Plan may bind the City Planning Commission and if it is the Commission's desire that no action be taken, it would be appropriate to simply advise the Developer to withdraw the application and await City Planning jurisdiction.

President Bagot again urged neighbors and developer to meet and resolve the differences.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MR. KING OPPOSING, THAT RESOLUTION NO. 235-91 BE ADOPTED.

President Bagot announced there would be a brief recess. The meeting recessed at 6:00 p.m. and reconvened at 6:05 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Land Disposition Agreement (LDA) with Taldan Investment Company for the purchase and development of the parcel located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Subsequent to approval of the LDA in December 1990 for the development of a supermarket with housing units above, the developer has met most of the LDA requirements in a timely manner, including negotiation of a lease with Cala Foods for operation of the supermarket. However, because of the current economy and tight credit situation, they are unable to meet the performance date for submission of evidence of financing. Two lenders who are presently involved in a merger have indicated an interest which Taldan will pursue and staff has provided them with a list of banks to contact who may

be interested if the project meets Community Reinvestment Act requirements. The proposed revised performance schedule extends the date for evidence of financing from August 21 to October 23, 1991 and conveyance of the site from September 25 to November 27, 1991.

Mr. Mardikian indicated that although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item.

In response to an inquiry from President Bagot, Mr. Helfeld indicated staff would report back on the progress of the supermarket.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND CARRIED, WITH MR. MARDIKIAN ABSTAINING, THAT RESOLUTION NO. 220-91 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (f) Edmund Ong, Chief of Architecture, introduced item (f), which is a public workshop for the purpose of a presentation by Architect Adele Naude Santos and Landscape Architect M. Paul Friedberg on the Program and Master Plan alternatives for Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. In order to develop and review Program and Master Plan alternatives, the Design Team has met on several occasions with the CB-3 Policy Advisory Committee and with the Advisory Committees for various uses in the CB-3 program which include: a Child Care Center; an Ice Rink/Bowling Center; a Children's Place and a Carousel.

Ms. Santos and Mr. Friedberg made slide presentations and described the Program and Master Plan alternatives.

The Commissioners noted their concern that there would be a need to redesign if it were decided not to proceed with a bowling alley, which use has not yet been approved by the Commission.

Helen Sause, Project Director, Yerba Buena Center, indicated that it had been necessary to get this far along in order to determine what the costs would be and an evaluation will be forthcoming shortly. The Commissioners have the option to defer the bowling alley and reserve the space.

Ms. Tsen inquired when staff proposes to bring both the program and uses before the Commission for approval and Mr. Helfeld indicated that there will be presentations at the September 17 meeting by the proposers of the ice rink/bowling center, following which the financial feasibility of the bowling alley will be ascertained.

- (g) Mr. Helfeld introduced item (g), which requests adoption of an Agency Policy on Subordination of Agency-subsidized loans in Affordable Homeownership Programs. The Agency has assisted in developing approximately 200 affordable homes in various areas and an additional 200 units are in the planning stages in Hunters Point and the Western Addition. For each affordable unit, the Agency holds a promissory note for the amount of Agency subsidy provided. Most of the promissory notes require repayment of the Agency subsidy upon sale, rental or refinancing of the home. Because of the recent decline in mortgage interest rates, it is a favorable time for homeowners to refinance the first mortgages to obtain lower interest rates. Staff would recommend continuing to require repayment of Agency subsidies before allowing homeowners to take equity out of their home through refinancing. The proposed policy would allow subordination of Agency-subsidized loans to permit low and moderate income homeowners to refinance first mortgages, if the new loan is at a lower interest rate, and the loan amount does not exceed the first mortgage balance plus reasonable closing costs. By allowing homeowners to obtain lower interest loans and reduce their monthly debt service, the Agency would be assisting low and moderate income households and reducing the chances of a default on the loans. Adoption of the Policy would avoid having Commission action on each subordination request and enable staff to give clear guidelines to homeowners wishing to refinance.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-91 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to issue a Notice of Funding Availability (NOFA) for \$3 million for the acquisition and rehabilitation of residential hotels and apartments in the South of Market Earthquake Recovery Redevelopment Project Area. The purpose of the NOFA is to solicit applications from non-profit housing development corporations interested in acquiring and rehabilitating residential hotels and apartments located in the Sixth Street corridor for use as affordable housing. During the past fiscal year, four sites have been acquired by the Agency for new construction of family and single-room occupancy units which will add approximately 300 affordable units to the neighborhood. The South of Market Problem Solving Council, who act as the Project Area Citizen Advisory Committee, has requested that for Fiscal Year 1991-1992 the Agency focus its acquisition efforts along the Sixth Street corridor on existing residential hotels and apartment buildings needing rehabilitation, rather than on vacant sites for new construction. Staff feels that a substantial rehabilitation effort of Sixth Street properties is appropriate and will complement the new construction activity already planned. The total Project Area housing acquisition/assistance budget for this fiscal year is \$5 million and staff may request authorization for more than \$3 million if a sufficient number of qualified proposals are submitted. The South of Market Problem Solving Council has reviewed and approved the NOFA and Agency

staff will work closely with the community in determining which applications most closely meet the objectives of the program.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-91 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to expend up to \$45,000 in Environmental Fees to the Department of City Planning in connection with the development of affordable housing sites within the South of Market Earthquake Recovery Redevelopment Project Area. This expenditure will permit the Agency to proceed and comply with the necessary environmental process by the Office of Environmental Review of the Department of City Planning for three potential affordable housing sites which are not exempt from the California Environmental Quality Act because they did not sustain direct damage as a result of the October 1989 earthquake. Although the estimated processing fees for the three sites is \$22,200, a larger expenditure is being requested in anticipation of future development sites becoming available in the South of Market which will necessitate environmental review.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-91 BE ADOPTED.

- (j) Robert Gamble, Deputy Executive Director, Finance, introduced item (j), which requests authorization to sell Tax Increment Bonds of up to \$27 million to fund the Agency's 1991-1992 Budget. In July 1991, the Board of Supervisors approved the Agency's 1991-1992 budget and the issuance of Tax Increment Bonds in an amount necessary to fund the budget, which action was subsequently ratified by the Commission. The net project fund requirement for the budget is approximately \$22 million, which debt will be supported by a stream of tax increment revenue in the amount of \$2.176 million. The underwriters for this transaction will be Goldman Sachs and Pryor, McClendon, Counts and Company, a minority firm, who will work together as co-senior managers. Both firms have strong experience in tax increment sales.

Mr. Gamble noted modifications to staff memorandum and indicated that it is now proposed to issue approximately \$2 million of taxable bonds.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-91 BE ADOPTED.

- (k) Robert Gamble, Deputy Executive Director, Finance, introduced item (k), which requests authorization to issue the sale of up to \$30 million of Tax-Exempt General Obligation Bonds for the construction of public improvements on Central Blocks 2 and 3 (CB-2 & CB-3) in Yerba Buena Center. It is necessary for the Agency to issue these bonds in order to completely fund the program for public improvements on CB-2 because the cost of the improvements exceeds the revenues available from the sale of

Central Block One, the Marriott deal and other currently available revenues. A delay in the construction of these improvements would result in significantly increased costs because of the necessity to work around the functioning Moscone Convention Center beneath CB-2 thereby disrupting its operations. Since this will be used solely as bridge financing until the sale of East Block 2, the debt would be structured with a three year call provision and, given the continued uncertainty regarding the real estate market, the terms of the bonds would be fifteen years with an approximate interest rate of 7.75 percent.

Mr. Kitahata requested that prior to the bond sale he be provided with an advance copy of the offering.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-91 BE ADOPTED.

President Bagot announced that the meeting would be recessed to a meeting of the City and County of San Francisco Redevelopment Financing Authority. The meeting recessed at 6:54 p.m. and reconvened at 7:04 p.m. with the same roll call.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Center Associates; and

San Francisco Naval Shipyards with the United States Navy.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

There is an additional Closed Session which arose subsequent to posting of the agenda on Friday, September 6, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING ON THE AGENDA ON SEPTEMBER 6, 1991.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest to corner of Brannan and First Streets in Rincon

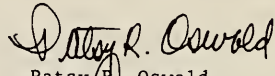
Minutes of a Regular Meeting, September 10, 1991

Point-South Beach and the entity the Agency may negotiate with is Reliance Development Corporation.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

September 24, 1991

SF
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#4
9/17/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF SEPTEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 17th day of September, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Haig G. Mardikian

DOCUMENTS DEPT.

and the following was absent:

Gary Kitahata

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The President declared that a quorum was present.

Robert Gamble, Deputy Executive Director, Finance, and staff members were also present.

Also present were: Margaret Verges, District 7 Democratic Club; Sue Stephen, Robert Keith, and Terry Gregory, YMCA; Bill Kerth, Kerth & Sons; Michael Paikin, VSC Sports, Inc.; Michael Booker, Ice Capades Chalets; Ace Washington, WAPAC; Mignon McGregor, Safety Med; Otis McGee and John Douglas, Minority Television Project; Harold Brooks; Samuel Murray, New Bayview Committee; Arnold Townsend and Morris Philips, Fillmore Market Place Associates; Janet Zampieri; Barbara Gualco, Catholic Charities; Jamie Lockett, Yvette and Carla McCoy, Progress Seven, Inc.; and Olsen Lee, Mayor's Office of Housing.

Representing the press were: Ingfei Chen, San Francisco Chronicle; and Greg Lewis, San Francisco Examiner.

APPROVAL OF MINUTES

President Bagot referred to the August 20, 1991 minutes and requested a written response be made to Elizabeth Byas of Supervisor Ward's Office regarding her suggestion that architectural firms make a contribution to a scholarship fund for minority students when they are finding it difficult to recruit minorities.

President Bagot referred to the August 20, 1991 minutes and a request by a Commissioner that staff review the Community Benefits Package to be provided by the Minority Television Project.

Minutes of a Regular Meeting, September 17, 1991 and
Adjourned Meeting, September 19, 1991

President Bagot referred to the August 27, 1991 minutes and reiterated his request that the Commissioners be advised two weeks before the funding deadline for the West Bay Community Services Building from Citicorp which it has been indicated will be made available regardless of financial difficulties with Fillmore Center Associates.

President referred to the August 27, 1991 minutes and reiterated his request for staff to investigate whether the Agency can be of assistance in continuing the street cleaning program on Third Street.

President Bagot referred to the August 27, 1991 minutes his request for a breakdown by ethnicity of groups that are under consideration as the operator of the Child Care Center in Yerba Buena Center.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of August 20, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of August 27, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of July 16, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of July 23, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of July 30, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Bagot noted that Mission Housing Development Corporation will be honoring the Redevelopment Agency and the Executive Director at their 20th anniversary dinner to be held on November 20, 1991.

NEW BUSINESS- CONSENT AGENDA

At the request of Margaret Verges, item (a) was removed from the Consent Agenda and considered as a Regular Agenda item.

At the request of Ms. Tsen, item (c) was removed from the Consent Agenda and considered as a Regular Agenda item.

At the request of President Bagot, item (f) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing an Amendment, which increases the amount payable by \$30,000 and makes certain other changes, to the Personal Services Contract for Reuse Appraisal Services with Mansbach Associates; All Redevelopment Project Areas.
- (d) Authorizing a Personal Services Contract in the amount of \$30,000 for Reuse Appraisal Services with David P. Rhoades & Associates, Inc.; All Redevelopment Project Areas.
- (e) Authorizing a Personal Services Contract in the amount of \$40,000 for Acquisition Appraisal Services with David P. Rhoades & Associates, Inc. within and outside Redevelopment Project Areas.
- (g) Authorizing a First Amendment to the Land Disposition Agreement with Bush Street Synagogue Cultural Center for the rehabilitation of 1881 Bush Street and the development of the site located at the southeast corner of Bush and Laguna Streets; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b), (d), (e) and (g), RESOLUTION NUMBERS 242-91, 244-91, 245-91 AND 247-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Gamble introduced item (a), which requests authorization of a Personal Services Contract in the amount of \$40,000 for Acquisition Appraisal Services with Mansbach Associates within and outside Redevelopment Project Areas. The continuing services of this firm are needed to evaluate and appraise the various sites being considered for acquisition for housing and economic development purposes. Mansbach has the necessary qualifications and experience and renders very satisfactory reuse appraisal services.

Margaret Verges, District 7 Democratic Club, noted her concern that the services are cited for areas in the Hunters Point Shipyard and actions should not be taken pursuant to the South Bayshore Plan which is being reconsidered by the City Planning Commission. She indicated that discussions should be held with the City Planning Commission and the communities involved, which include native American tribes.

David Madway, Agency General Counsel, indicated that appraisals in Hunters Point Shipyard relate to current lease negotiations pursuant to Federal Statute between the United States Navy and the Agency, who is representing the City in these negotiations, and have no connection with the South Bayshore Plan.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-91 BE ADOPTED.

- (c) Mr. Gamble introduced item (c), which requests authorization of a Second Amendment to the Personal Services Contract for Reuse Appraisal Services, which increases the amount payable by \$20,000 and makes certain other changes, with Hibbits Consulting, Inc.; All Redevelopment Project Areas. This firm has been providing very satisfactory services to the Agency for a number of years and their continuing services are needed for all Redevelopment Project areas.

Ms. Tsen indicated that she has a question she would like clarified and requested that this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 243-91, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 24, 1991 AT THE REQUEST OF A COMMISSIONER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Gamble introduced item (f), which requests authorization to renew a Professional Services Contract with Project Sentinel in an amount not to exceed \$14,800 for services related to Fair Housing, Monitoring and Training. Staff believes continuing these services as part of the Agency's Affirmative Marketing Program is warranted

President Bagot requested a report on the results of the latest investigations by Project Sentinel, which Mr. Gamble indicated would be provided to the Commission.

- (h) Mr. Gamble introduced item (h), which is a workshop for presentations by three Proposers for the operation of the Ice Rink/Bowling Center in Yerba Buena Center. Since November 1990, the Agency has been working with an Advisory Committee to develop a program for the operation of the Ice Rink/Bowling Center and subsequently a Request for Proposals was issued for the purpose of selecting an operator for the facility who will work with the architects during the design phase. The Advisory Committee is evaluating the proposals submitted by the Ice Capades Chalets, VSC Sports, Inc., and the YMCA with Kerth & Sons and anticipates making a recommendation of an operator in early October.

Sue Seph, Robert Kerth and Terry Gregory made presentations on behalf of the YMCA and responded to questions from the Commissioners.

Edward Helfeld, Executive Director, arrived at this time, 4:40 p.m., during the YMCA presentation.

Ms. Tsen noted that the \$7 million has not yet been allocated by the Commission. The bowling alley is being reviewed for its feasibility and has not yet been approved as a use.

President Bagot requested a written summary of the proposals together with a breakdown by ethnicity of the staff of the proposers, which Helen Sause, Project, Director, Yerba Buena Center, indicated would be provided to the Commission.

Michael Paikin made the presentation for VSC Sports and responded to questions from the Commissioners.

Michael Booker made the presentation for the Ice Capades Chalets and responded to questions from the Commissioners.

The proposers responded to questions from Margaret Verges regarding refrigerants it is planned to use for the ice rink.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions on item (i) because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 5:15 p.m., President Bagot turned the Chair over to Ms. Tsen.

- (i) Jack Robertson, Housing Development Specialist, introduced item (i), which requests authorization of changes in Agency financing commitments for the development of affordable housing at 111 Jones Street. In connection with the construction of 108 units of affordable housing for family and senior households located at the corner of Jones Street and Golden Gate Avenue, Catholic Charities is requesting: to substitute Catholic Charities of the Archdiocese of San Francisco with 111 Jones Street Associates, a California limited partnership, as the recipient of a previous Agency financing commitment for an amount not to exceed \$800,000 and converting said commitment from a grant to a loan; to increase the loan amount to 111 Jones Street Associates for the development of 111 Jones Street as affordable housing; and provision of a bridge loan for an amount not to exceed \$200,000 to 111 Jones Street Associates to pay for construction related items. These requests have been submitted because of changes in the construction budget estimate and based on negotiations with the tax credit investor for the project. It would bring total Agency financing in the project to \$1.4 million which amounts to approximately \$13,000 per unit. The project has been awarded all of its other financing commitments, including low-income tax credits, a California Rental Housing Construction Program loan and private financing. Groundbreaking will commence in October 1991 and completion of the project is expected in the Spring of 1993.

The following persons spoke regarding item (i): Ace Washington, WAPAC; and Barbara Gualco, Catholic Charities.

Mr. Washington noted his concern, as an African-American, that Western Addition tax increment monies are being used for this

project and inquired regarding the issue of back taxes owed by Catholic Charities.

Ms. Gualco indicated that the non-profit status of Catholic Charities is in order.

Mr. King indicated his support of the project but noted that there are a number of African-American developers who should be put on an equal basis for funding.

In response to an inquiry from Ms. Tsien, Mr. Gamble indicated that during the first year of the City-wide Tax Increment Housing Program taxable money must be used. Western Addition monies were used during the first year, however, they were not used the second year and will not be used in the forthcoming fiscal year.

In response to an inquiry from Ms. Tsien, Ms. Gualco indicated that it is anticipated the \$200,000 bridge loan will be paid back in a matter of months and the \$600,000 by 1997.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-91 BE ADOPTED.

At this time, 5:29 p.m., President Bagot resumed the Chair.

Ms. Bolanos left the meeting at this time, 5:30 p.m.

President Bagot announced there would be a brief recess. The meeting recessed at 5:30 p.m. and reconvened at 5:35 p.m. with the same roll call except for Ms. Bolanos.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The Special Meeting on September 16 at 3:00 p.m. for the purpose of continuing a joint meeting with the Board of Supervisors to discuss with the Board possible further amendments to the Rincon Point-South Beach Redevelopment Plan has been further continued to September 23 at 3:00 p.m.
- (b) Groundbreaking ceremonies for Bridge Housing Corporation's Steamboat Point (formerly Site K) for 108 family apartments was held on September 11.
- (c) On September 18 at 11:00 a.m., there will be a groundbreaking ceremony at the South Bayshore Supermarket located at 345 Williams Avenue.
- (d) Otis McGee, President, Minority Television Project (MTP) and John Douglas, Consultant, reported on the television station's operations.

The following persons spoke regarding the Minority Television Project: Harold Brooks; Mignon McGregor, Safety-Med; and Ace Washington, WAPAC.

In response to an inquiry from Ms. McGregor, Mr. Helfeld indicated that there had been a need to move quickly regarding funding for MTP to prevent the station going off the air and the Agency will be working with the African-American Empowerment Task Force in reviewing other loans and the loan process.

- (e) The Agency applied for a hazard mitigation grant in an amount of \$1 million for the South of Market Earthquake Recovery area which has been granted.
- (f) The weekly Economic Development Status Report has been provided to the Commissioners.

Ms. McGregor noted that it was her understanding that a letter had been written indicating she wanted to withdraw her loan application, however, this was done without her consent.

The Commissioners requested staff provide a status report on the restructuring of Ms. McGregor's loan request.

- (j) Michele Davis, Assistant Development Specialist, Housing, introduced item (j), which requests authorization of an Amendment to the Land Disposition Agreement (LDA) with Progress Seven, Inc. for the development of a parcel located on the northerly corner of Newcomb Avenue at Whitney Young Circle in Hunters Point. In connection with this LDA authorized in August 1989 for the construction of 15 homes, the Agency committed up to \$375,000 to cover public and site improvement costs and construction fees for the project which is now nearing completion. The fees to be paid with Agency subsidies have cost slightly less than anticipated, however, other development costs have increased and the developer is requesting permission to revise the allowed expenditures for the Agency's subsidy contribution toward public and site improvements to allow that any cost savings achieved in the site improvement budget be used to pay for other reimbursable costs noted as Allowed Development Costs in the LDA. Since the total amount of Agency subsidy will not change and because the developer has also expended funds to cover some of the infrastructure related costs out of the construction loan, staff recommends approval of the request.

Ms. Davis noted modifications to the language in the resolution before the Commission.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-91, AS AMENDED, BE ADOPTED.

- (k) Public Hearing to hear all persons interested in the Assignment of Interest in the Land Disposition Agreement with GSI Holdings to Las Villas Partnership for the parcel located at the northwest corner of Newcomb and LaSalle Avenue; Hunters Point.

Mr. Helfeld introduced item (k), which requests authorization of an Assignment of Interest in the Land Disposition Agreement with GSI Holdings to Las Villas Partnership, a Joint Venture composed of GSI Holdings and Mendell Terrace Group, for the purchase and development of the parcel located at the northwest corner of Newcomb and LaSalle Avenue in Hunters Point. It is recommended this item be continued to the meeting of October 1, 1991.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (k), RESOLUTION NO. 250-91 AND THE PUBLIC HEARING, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 1, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) President Bagot introduced item (a), which requests authorization of a Predevelopment Loan of \$173,495 by Fillmore Market Place Associates for the payment of a tax credit reservation fee and performance deposit; and a request for the Agency to convey the land to Fillmore Market Place Associates, with a deferral of payment, for the parcel on the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and she would therefore abstain from discussions and voting on item (a).

- (b) President Bagot introduced item (b), which requests authorization of a loan in an amount of \$103,000 loan to Mission Housing Development Corporation for payment of tax credit reservation fees and performance deposit for 480 Valencia Street.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, September 13, 1991. These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

northwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Corporation; and

480 Valencia Street with Mission Housing Development Corporation.

Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 13, 1991.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted that a resolution has been adopted calling upon the Mayor, the Redevelopment Agency and the Mayor's Office of Community Development to authorize a survey to investigate different methods of revitalizing the Mission District of San Francisco.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) In response to an inquiry from Ace Washington, WAPAC, Mr. Helfeld indicated that there is no documentation available relative to the off-agenda items because they arose at short notice, however, they will be discussed in public.

David Madway, Agency General Counsel, indicated that no documentation is required to be in the Brown Act until it has been distributed to the Commissioners.

In response to an inquiry from Mr. Washington, President Bagot indicated that the meetings of the African-American Empowerment Task Force are open to the public.

- (b) Samuel Murray, The New Bayview Committee, and Margaret Verges, District 7 Democratic Club and representing Espanola Jackson, noted that the City Planning Commission is reconsidering the South Bayshore Plan and voting on items relative to the Hunters Point Shipyard, which will eventually be in the Plan, will create problems. Mr. Murray and Ms. Verges requested meetings be held in the community to inform the public on the Agency's proposed activities in the South Bayshore.

President Bagot indicated that clarification is needed regarding how the City Planning Commission action will impact the Agency's activities in the South Bayshore and guidance should be sought from the Mayor's Office regarding the Agency's role.

President Bagot announced that the meeting would be adjourned to the two Closed Sessions on Real Property Negotiations announced earlier.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 7:00 p.m.

RECONVENED

At this time, 7:40 p.m., the meeting reconvened back to the Regular Session with the same roll call.

- (a) President Bagot indicated that the Commission had been unable to reach agreement on item 7 (a).

Minutes of a Regular Meeting, September 17, 1991 and
Adjourned Meeting, September 19, 1991

The following persons spoke in support of item (a): Arnold Townsend; and Ace Washington, WAPAC.

- (b) Bill Rumpf, Chief of Housing Production and Management, introduced item (b), which requests authorization of a \$103,000 loan to Mission Housing Development Corporation (MHDC) for 480 Valencia Street as part of the City-wide Tax Increment Housing Program (TIHP). A loan of \$1,644,148 was previously authorized for the acquisition and development of this property as rental housing for low-income families. MHDC is now requesting and additional predevelopment loan in the amount of \$103,000 to pay low-income housing tax credit reservation fees and performance deposits. The loan has been approved by the TIHP Loan Committee, however, a determination needs to be made by the Commission that the project is consistent with the Agency's Mission Statement.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 251-91 BE ADOPTED.

President Bagot announced that there would be a Closed Session on Real Property Negotiations for the the parcel located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2 with Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 7:50 p.m.

RECONVENED

At this time, 8:10 p.m., the meeting reconvened back to the Regular Session with the same roll call.

President Bagot indicated that the Commission had been unable to reach agreement on the loan to Fillmore Market Place Associates and that this meeting would be continued to September 19, 1991, 3:00 p.m., at 770 Golden Gate Avenue for further consideration of this item.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates; and

San Francisco Naval Shipyards with the United States Navy.

Minutes of a Regular Meeting, September 17, 1991 and
Adjourned Meeting, September 19, 1991

There will also be a Closed Session pursuant to Government Code
Section 54957 on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously
carried that the meeting be adjourned to Closed Sessions on Real
Property Negotiations and on Personnel. The meeting adjourned at
8:10 p.m. to 3:00 p.m., September 19, 1991.

RECONVENED

At this time and date, 3:00 p.m., September 19, 1991, the meeting
reconvened to a regular session at 770 Golden Gate Avenue, with the
following roll call:

Buck Bagot, President
Sonia Bolanos
Leroy King
Haig G. Mardikian

and the following were absent:

V. Fei Tsen, Vice President
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Morris Philips, Fillmore Market Place Associates;
Joseph Skiffer; Lefty Gordon and Richard Brown, Ella Hill Hutch Community
Center; and Ace Washington, WAPAC.

President Bagot announced that there would be a Closed Session
pursuant to Government Code Section 54956.8 on Real Property
Negotiations for the parcel located on the northwest corner of
Webster and Eddy Streets in the Western Addition A-2 with Fillmore
Market Place Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Bolanos, and unanimously
carried that the meeting be adjourned to a Closed Session. The
meeting adjourned at 3:09 p.m.

RECONVENED

At this time, 3:46 p.m., the meeting reconvened back to the Regular
Session.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a \$173,495 Predevelopment Loan to Fillmore Market Place Associates for Parcel 732-B, located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The Developer is requesting a loan of \$173,495 for the payment of a tax credit reservation fee and performance deposit and that the Agency convey the land to Fillmore Market Place Associates, with a deferral of payment. A preliminary reservation of \$2,168,691 in federal low income housing tax credits, annually for ten years has been received for the project which consists of 120 units of rental family housing for very-low and low income households. To keep the tax credits allocated to the project, the Developer must demonstrate site control by November 15, 1991 and Commission consideration of an amendment to the Land Disposition Agreement (LDA) is scheduled for October 29, 1991. Staff recommends the predevelopment loan be approved, subject to the Developer: providing financial statements for Don Tishman and Herman Russell; providing acceptable personal guarantees from Don Tishman and Herman Russell for the predevelopment loan; and submission of a revised performance schedule that sets forth acceptable dates for the Agency and Developer for submittal of required documents. The loan principal and accrued interest would be due upon whichever earlier of: at the time of construction loan closing; failure by the Developer to meet any conditions of the Tax Credit Allocation Committee preliminary reservation; but in any event, no later than July 1992. It is proposed to approve in concept the Developer's request to sell the land with the Agency agreeing to finance 90 percent of the sales price with full payment of the land and accrued interest to occur at the time of construction loan closing. Detailed provisions would be included in an amendment to the LDA, including a condition to allow for the land to revert back to the Agency if the project does not proceed.

President Bagot noted that there is a need for further discussions on how for-profit Black Developers fit into the Agency's permanent affordability housing program and Mr. Philips suggested a workshop be held.

President Bagot noted that the Commission has authorized the Executive Director to execute the appropriate loan documents, subject to acceptable personal guarantees being received from Mr. Russell and Mr. Tishman.

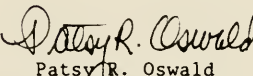
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-91 BE ADOPTED.

Minutes of a Regular Meeting, September 17, 1991 and
Adjourned Meeting, September 19, 1991

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 12, 1991

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF SEPTEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of September, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

Buck Bagot, President

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present was: Ace Washington, WAPAC

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Special Meeting of August 15, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of September 10, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency meeting of October 8, 1991 will be held at the Ella Hill Hutch Community Center in the Western Addition.
- (b) A successful groundbreaking was held on September 18 for the Cala Supermarket located at 345 Williams Avenue in the South Bayshore. Mayor Agnos and Commissioners Bagot and King were in attendance.
- (c) The Special Meeting on September 23 at 3:00 p.m. for the purpose of continuing a joint meeting with the Board of Supervisors to

Minutes of a Regular Meeting, September 24, 1991

discuss with the Board possible further amendments to the Rincon Point-South Beach Redevelopment Plan has been further continued to October 7, 1991 at 3:00 p.m.

- (d) There will be a Public Hearing on September 24, 6:30 p.m., at St. Mary's Cathedral on the Draft Comprehensive Housing Affordability Strategy (CHAS) that is required under the new housing law. The City is required to submit a CHAS to HUD by early October in order to be eligible for Federal housing funds. Agency staff has participated in preparing the draft which was distributed to the Commissioners last month.
- (e) The Commissioners have been provided with a status report on Mignon McGregor's loan request.

UNFINISHED BUSINESS

- (e) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the Personal Services Contract for Reuse Appraisal Services, which increases the amount payable by \$20,000 for a total contract amount of \$50,000 and makes certain other changes, with Hibbits Consulting, Inc. in connection with All Redevelopment Project Areas. This firm has performed highly satisfactory reuse appraisal services for the Agency for a number of years which continue to be needed in all Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-91 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Sixth Amendment to the Personal Services Contract with Wes Willoughby in an amount of \$33,220.
- (b) Authorizing an expenditure of funds not to exceed \$4,000 to ABACUS, Inc. for purchase and installation of computer security devices.
- (c) Authorizing an Amendment to the Agency's Training Policy to provide for advance payment of tuition.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (c), RESOLUTION NUMBERS 253-91, 254-91 AND 255-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Jack Robertson, Housing Development Specialist, introduced item (d), which requests authorization of a Predevelopment Loan in an amount not to exceed \$52,620 to Housing Development and

Neighborhood Preservation Corporation (HDNPC) for the development of Agency property located at the southeasterly corner of 7th and Natoma Streets in the South of Market. In June 1990, exclusive negotiations were authorized with HDNPC, in conjunction with West Bay Pilipino Multi-Service Corporation, to develop affordable family housing on the site and the Developer has requested a loan of \$147,000 for predevelopment expenses associated with the project. However, because of limited Agency funds available, staff recommends approval of a \$52,620 loan to keep the project moving on schedule, while requiring the developer to apply to other loan programs to meet additional predevelopment funding needs. The project is proceeding on schedule and the Developer has been working with Agency staff, City Planning staff and the community on design to best meet the needs of the neighborhood. A design workshop will be held in October to review the project consisting of 27 units with a limited amount of commercial space along 7th Street.

Ms. Tsen noted that getting predevelopment funds is the most difficult stage for non-profits who do not have capital and suggest staff look into whether it is preferable to consider requests for predevelopment funds on a case by case basis or whether guidelines and policies should be implemented.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos gave a status report on the activities of the Yerba Buena Gardens Cultural Issues Sub-Committee.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (f) On September 26 at noon, there will be a dedication ceremony at the Senator Hotel, in which the Agency participated.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mignon McGregor, Safety-Med, indicated that her loan request for \$35,000 is still being discussed.

Mr. Helfeld indicated that the Commissioners have been provided with an analysis on this issue which includes recommendations of staff and UEDC. He noted that President Bagot had requested no action be taken on this matter today.

- (b) Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition A-2, which Mr. Helfeld indicated had been responded to by staff.

Minutes of a Regular Meeting, September 24, 1991

Ms. Tsen announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center and the entity the Agency will negotiate with is Yerba Buena Gardens, L.P.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, September 20, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commissioner members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 20, 1991.

This item pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Brannan and First Streets in Rincon Point-South Beach and the entity the Agency may negotiate with is Reliance Development Corporation.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to two a Closed Sessions on Real Property Negotiations. The meeting adjourned at 4:35 p.m.

Respectfully submitted,


Estelle Crawford
Acting Agency Secretary

APPROVED

November 12, 1991

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10/1/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF OCTOBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 1st day of October, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Leroy King
Gary Kitahata
Haig G. Mardikian

and the following were absent:

Buck Bagot, President (Arrived 4:27 p.m.)
Sonia Bolanos

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Messrs. Cook, Slomovitz and Butterfield, Mendell Terrace Group; Miguel Perez, GSI Holdings, Inc.; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations; John Elberling and Bob Herman, GP/TODCO; and Ray Jones, Economic Development Corporation.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have been provided with information on the Subsidized Housing Preservation Program Expenditure Guidelines for the \$1.8 million in the Fiscal Year 1991-1992 budget.
- (b) The San Francisco Department of Public Health has requested the Agency to assist in negotiating a lease with a non-profit for a Alcoholic Drop-in Center for homeless alcoholic men and women.
- (c) On October 1, the first meeting of the Mayor's Task Force for the Hunters Point Naval Shipyard was held which covered discussions with regard to a lease and members of the Task Force were briefed on toxic clean-up issues.

In response to an inquiry from Mr. Kitahata regarding Drydock No. 4 at the Hunters Point Shipyard, Mr. Helfeld indicated that this

Minutes of a Regular Meeting, October 1, 1991

is an item under Matters not Appearing on the Agenda which will be considered later at this meeting.

Mr. Kitahata noted that the question has been raised as to the Agency's role and Mr. Helfeld indicated that the Mayor has requested the Agency to negotiate with the Navy for the Shipyard. Mr. Kitahata indicated he would like the Agency's role specifically defined and Mr. King indicated that this could be dealt with in the future as developments occur.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that the next Task Force meeting would be held on October 22, 1991.

- (d) Robert Gamble, Deputy Executive Director, Finance, has been awarded a Public Managerial Excellence Award by the Mayor's Fiscal Advisory Committee.

At this time, 4:27 p.m., Ms. Tsen turned the Chair over to President Bagot.

- (e) It is suggested a joint Public Hearing be held with the Board of Supervisors on November 12, 1991 on the proposed Amendment to the Redevelopment Plan for Rincon Point-South Beach since agreement has now been reached with the historic groups on preservation language for the Oriental Warehouse.

All the Commissioners agreed to attend the meeting.

- (f) The Commissioners have been provided with a copy of the Agency's 1991 Annual Report.
- (g) John Douglas reported on activities to date of the Minority Television Project (MTP) and responded to questions from the Commissioners regarding staffing and fundraising.

Mr. Helfeld indicated that there will be a further report by MTP at the Agency meeting of October 8, which will be held at the Ella Hill Hutch Community Center in the Western Addition A-2.

- (h) Gene Suttle, Senior Deputy Executive Director, noted that since there had not been any changes, an Economic Development Report had not been requested from Urban Economic Development Corporation (UEDC).

Ray Jones, UEDC, gave a status report and noted that two loans submitted had been approved.

President Bagot requested status reports in writing be provided to the Commissioners on a weekly basis.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Assignment of Interest in the Land Disposition Agreement with GSI Holdings

to Las Villas Partnership for the parcel located at the northwest corner of Newcomb and LaSalle Avenues; Hunters Point.

Michele Davis, Assistant Development Specialist-Housing, introduced item (a), which requests authorization of an Assignment of the Land Disposition Agreement (LDA) with GSI Holdings, Inc. to Las Villas Partnership for the development of Site S-6 located on the northwest corner of Newcomb and LaSalle Avenues in Hunters Point.

- (b) Michele Davis, Assistant Development Specialist-Housing, introduced item (b), which requests authorization of an Amendment to the Land Disposition Agreement (LDA) with Las Villas Partnership, which revises the performance schedule, for the development of Site S-6 located at the northwest corner of Newcomb and LaSalle Avenues in Hunters Point.

The LDA was authorized in March 1990 for the development of twenty-seven three-bedroom units. The Developer has subsequently requested a revision to the performance schedule and approval to assign the LDA to Las Villa Partnership, comprised of GSI Holdings, Inc. and Mendell Terrace Group. Mendell Terrace Group is an experienced developer and the purpose of the assignment is to bring additional capital and development expertise to the project. Staff believes the assignment will expedite completion of the project in time to permit prospective homebuyers to take advantage of the below market interest rate bond financing. The revised performance schedule calls for submission of evidence of financing by March 25, 1992 and conveyance of the site by April 30, 1992.

Ms. Davis introduced Messrs. Cook, Slomovitz and Butterfield, Mendell Terrace Group; and Miguel Perez, GSI Holdings.

In response to an inquiry from President Bagot, Ms. Davis indicated that at this time it is not anticipated the cost of the affordable units will be impacted.

President Bagot noted that the Mendell Terrace Group have a good affirmative action record.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-91 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend Section VII.A.4 of the Personnel Policy to allow for advance pay for Agency staff in emergency housing situations under certain conditions. There has been a recent emergency housing situation whereby an employee has needed pay in advance of time worked which is precluded by the current Personnel

Policy. In order to provide flexibility in such situations, it is proposed to amend the applicable section of the Policy to read "Except in an emergency housing situation and subject to Executive Director approval, an employee may not be paid in advance of time worked". The Commissioners have been provided with details of the conditions and criteria that would need to be met. Because of the short notice involved in the current situation, this proposed language change has not been circulated to staff or the unions and there may subsequently be further changes based upon comments received which will be brought before the Commission for approval.

In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that there is a slight risk involved, however, the loans would be very small.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-91 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a three year Maintenance Agreement, effective September 29, 1991, with All-Phase Telecommunications for the Agency's telephone equipment. At the time the Agency moved offices to 770 Golden Gate Avenue in September 1990, a new telephone and voice mail system was purchased which has worked satisfactorily during the past year while it was under warranty. Because staff were unable to find any minority or women-owned enterprises that provide services for this equipment, quotes were sought from the original supplier of the equipment, Pac-Tel Meridian Sytems (PTMS) and All-Phase. The PTMS quote for service on a three year contract basis was \$10,380 annually, whereas All-Phase quoted \$8,385 for a similar level of service. The only significant difference between the two companies is that PTMS is an authorized dealer for Northern Telecom products, while All-Phase is not and is strictly a service organization. The three year agreement with All-Phase includes a thirty day cancellation should any problems develop and will provide a savings of approximately \$2,000 annually in maintenance charges as well as providing a substantially lower hourly rate than PTMS for extra services that may be required.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-91 BE ADOPTED.

- (c) William Carney, Staff Architect, introduced item (c), which requests authorization of a Ninth Amendment in an amount of \$224,000 to the Architecture Agreement with MGA Partners for additional services relating to services not included in the original Esplanade Scope of Work in connection with Yerba Buena Center. The items to be funded under proposed amendment are: design development and documentation for the Esplanade Artwork; documentation of change orders for early steel and associated construction work to minimize future construction conflicts and waterproofing liability with the Moscone Convention Center; documentation of Cafe kitchen equipment necessary to facilitate

space layout and utilities; additional security documentation relating to the Martin Luther King, Jr. Memorial; design and documentation of a landscaped traffic control median on Mission Street as required by City Planning and the Department of Parking and Traffic; and future additional services in connection with the construction phase of work. Funds for the Ninth Amendment are available within the Agency's budget for design and construction of the Esplanade. The Commissioners have been provided with details of the firm's affirmative action program.

In response to an inquiry from Mr. Kitahata, Mr. Carney noted that Turner Construction has indicated it is impossible to put a dollar amount on estimated savings for bidding of steel.

Mr. Carney responded to questions from the Commissioners regarding MGA's affirmative action efforts and noted the firm has committed to fund an annual design studio scholarship for minority students in architecture at Drexel University in an amount of \$1,200.

Ms. Tsen noted that, although the architect is to be commended for its commitment to the scholarship fund in Philadelphia, the Agency has been criticized for selecting non-local architects and she would like to see a scholarship fund based in San Francisco. Mr. Carney indicated that he would convey this to MGA Partners, however, their concern is to increase the number of minorities on their staff and their offices are in Philadelphia.

President Bagot requested a letter be sent to Elizabeth Byas of Supervisor Ward's Office advising her of the scholarship fund which has been implemented at her suggestion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of termination of the Land Disposition Agreement (LDA), and return of the performance deposit in connection therewith, with Myrtle Development Corporation for the development of a parcel located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition A-2. Subsequent to authorization of the LDA in June 1986 to Morris Bernstein, it was assigned in February 1989 to Myrtle Development Corporation of which Mr. Bernstein is the sole shareholder. During this period, Mr. Bernstein presented various development proposals, however, due to his ill health he is now requesting termination of the LDA and return of the performance deposit in an amount of \$62,500.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which is a workshop to review GP/TODCO's Schematic Drawings for the development of a single room-occupancy (SRO) building at 241 Sixth Street in the South of Market. An LDA was authorized in July 1991 for the construction

of a seven-story, 140-unit SRO building for low-income persons. Most units contain bathrooms, small kitchen facilities and there is a common open space area. The Developer has held a number of meetings with area residents to obtain input on the design features and the Commissioners have been provided with a Site Development Analysis prepared by the Developer.

John Elberling, TODCO, made a presentation on the development in general and Bob Herman described the proposed design and responded to questions from the Commissioners.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to enter into a license with the United States Navy for the purpose of maintaining Dry Dock No. 4 at the Hunters Point Naval Shipyard. The Agency was recently advised by two large ship repair companies that the Navy is going to cease maintaining the dry dock. The Navy has agreed to make the license available to the Agency who will seek a contractor to do the work.

Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 27, 1991.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-91 BE ADOPTED.

President Bagot announced that there is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, September 27, 1991. Pursuant to Government Code Section 54954.2 (b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON SEPTEMBER 27, 1991.

This item is pursuant to Government Code 54956.8 to instruct the Agency's real property negotiator. The property is located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point with San Francisco Housing Development Corporation.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot indicated that under the National Affordable Housing Act, San Francisco will be allocated almost \$10 million.

Minutes of a Regular Meeting, October 1, 1991

- (b) President Bagot noted that there is a possibility that Low Income Housing Tax Credits will not be extended and Ms. Tsen noted that this would affect the GP/TODCO project.
- (c) In response to an inquiry from President Bagot, Mr. King indicated that Mignon McGregor's loan is still being discussed.
- (d) President Bagot requested that he be put on the Hunters Point Naval Shipyard Task Force mailing list.
- (e) President Bagot requested that a response be made to a letter written by Samuel Murray of the New Bayview Committee regarding the Agency's activities in the South Bayshore.
- (f) In response to an inquiry from Mr. Kitahata, Mr. Helfeld indicated that the Agency has consultants working on Third Street and a report will be made in November.
- (g) In response to a request from Mr. Kitahata, Mr. Helfeld indicated that the workshop regarding the agreement with the Nihonmachi Community Development Corporation would be scheduled as the first item on the agenda at the October 8, 1991 Agency meeting.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin/Related Properties VII; and

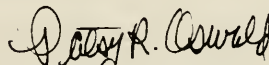
northwest corner of corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group; and

easterly side of Keith Street at Hudson Avenue (Site X) in Hunters Point with Bayview Homes, Ltd., II.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 12, 1991

SF
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10/8/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF OCTOBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Ella Hill Hutch Community Center, 1050 McAllister Street, in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of October, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- V. Fei Tsen, Vice President
- Leroy King
- Gary Kitahata
- Haig G. Mardikian

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and the following was absent:

- Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Mignon McGregor, Safety-Med; Jai Johnson, Station Manager, Minority Television Project; Jamie Jamerson; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations; Lefty Gordon, Ella Hill Hutch Community Center; Ace Washington, WAPAC; Martin Eber, Nobuo Mihara and Cressey Nakagawa; Nihonmachi Community Development Corporation; Paul Osaki and Kaz Maniwa, Japanese Cultural Community Center; Jeff Mori, Japanese Community Youth Council; Charmaine Curtis, Catholic Charities; Tom Jones and Joel Lipski, Mayor's Office of Housing and Community Development; Anthony Von der Muhll, San Francisco Coalition on Homelessness; Arnold Townsend; Morris Phillips; Katherine Nash; Sidney A. Martin; George Jones, Western Addition Youth; and Les W. Parder.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff will request that items 6 (f) and (g), which relate to a Land Disposition Agreement with Future Perfect, Inc. for a parcel in Hunters Point, be continued for one week.
- (b) On October 7, 1991, the Special Meeting on the proposed Amendments to the Rincon Point-South Beach Redevelopment Plan Amendment was continued to November 12, 1991 at 3:00 p.m. A quorum of Commissioners will be required. In this regard, it is

suggested that a motion be taken when Matters not Appearing on the Agenda is considered in order to re-open the Public Hearing to hear testimony on the Amendment. Mark Ryser of the Heritage Foundation was at the meeting to support of the proposed preservation language for the Oriental Warehouse.

- (c) In response to a request from President Bagot, an informational memorandum has been provided to the Commission on racial and ethnic composition of staff in non-profit housing corporations and of tenants in non-profit sponsored housing developments. It should be noted that the data provided is only for the non-profit housing corporations that are monitored by the Mayor's Office of Housing and Community Development (MOHCD), plus groups that had already submitted data to the Agency at the time of Commission action on their loans. The information is collected by MOHCD as part of monitoring the CDBG program and is from 1989, with updates where available.

President Bagot noted that non-profits have exceeded persons of color and ethnic groups by staff and tenants for the period covered and the Agency should continue to track. He requested a report in approximately one month on what non-profits are doing in terms of MBE/WBE contracts.

- (d) Byron Rhett, Project Coordinator, Western Addition A-2, gave a status report on the Western Addition's Housing and Economic Development Programs.
- (e) The Commissioners have been provided with a report on the Subsidized Housing Preservation Program Expenditure Guidelines for Fiscal Year 1991-1992.

President Bagot commended staff on the report and noted that this is probably the best housing program in the country for at-risk housing.

- (f) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

In response to an inquiry from Mignon McGregor regarding the status of her loan request, Leamon Abrams, Chief of Economic Development, indicated that UEDC has sent a letter to her regarding restructuring the loan and is awaiting her response.

- (g) Jai Johnson, Station Manager, gave a status report on the Minority Television Project (MTP) and responded to questions from the Commissioners and the public regarding fundraising, staffing and studio/office space for the station.

The following person spoke regarding item (g): Jamie Jamerson, Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations; Lefty Gordon, Ella Hill Hutch Community Center; and Ace Washington, WAPAC.

In response to questions from the speakers, Ms. Johnson indicated that vendors have not yet been identified but there will be a public process and arrangements will be made to have a form available for community suggestions. It is also planned to set-up a Community Advisory Board.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

At the request of President Bagot, item (a) was removed from the Consent Agenda and considered as a regular item.

- (b) Authorizing a Fifth Amendment which revises the Performance Dates of the Agreement for Disposition of Land for Private Development with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM (b), RESOLUTION NO. 264-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Agreement with American Red Cross to serve as Fund Manager of its Rental Housing Replacement Revolving Fund. Funds are available in an amount of \$455,000 and the objective of the program is to provide predevelopment loans to sponsors seeking to replace low-income housing damaged in the October 1989 earthquake.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-91 BE ADOPTED.

- (c) Richard Kono, Chief, Development and Real Estate, introduced item (c), which is a workshop to provide further background information to facilitate public discussion of the status of the Agreement with Nihonmachi Community Development Corporation for the development of a parcel located within the block bounded by Buchanan Mall and Sutter, Laguna and Post Streets in the Western Addition A-2. The Agreement was authorized in September 1989 and subsequently amended in July 1990 to extend the performance schedule. The amended performance schedule has not been met and the Commission now has the option to terminate the agreement. The Developer has requested a further extension to the performance schedule, however, staff believes that several issues need to be satisfactorily addressed before an extension can be considered. The issues relate to the failure of the developer to take timely actions which would lead to early development of the site and the need to consider a new requirement that the Laguna Street lot be open to the public for hourly parking and be

properly maintained. In addition, a proposal has been received from two Nihonmachi non-profit groups who are interested in developing the project. However, the Developer has now formally accepted a loan commitment from Union bank and is making efforts to comply with all its conditions. Provided the extended performance schedule is approved and there are no unforeseen delays, the Developer anticipates conveyance of the land and start of construction of the parking lot before the end of 1991.

Martin Eber, Nobuo Mihara and Cressey Nakagawa made presentations for the Nihomachi Community Development Corporation and responded to questions from the Commissioners regarding availability of the parking to the public and the extent it will be utilized. Mr. Eber noted the importance of the parking to the commercial establishments.

In response to an inquiry from Mr. Kitahata, Mr. Eber noted that the project has been delayed because of difficulties in obtaining financing. However, financing is now in place with Union Bank but it could be lost if an extension is not granted. In response to an inquiry from Mr. Kitahata, Mr. Mihara indicated that efforts are being made to maintain the Buchanan Mall and, given some redesign, he believes the fountain could be brought back into use

Paul Osaki and Kaz Maniwa, Japanese Cultural Community Center; and Jeff Mori, Japanese Community Youth Council, presented their proposal and requested that the agreement with Nihonmachi Community Development Corporation be terminated. They requested that staff analyze their proposal and make a recommendation to the Commission.

Following a discussion between the Commissioners, Staff and the Developers, it was the consensus of the Commissioners that staff analyze the proposal from the two non-profits as expeditiously as possible.

Mr. Helfeld indicated that staff will report back to the Commission in two weeks.

Mr. Nakagawa inquired regarding continuing negotiations with Union Bank for the financing commitment which could be lost if the matter is further delayed and David Madway, Agency General Council, noted that the Developers understand the Commission's position and may proceed as they wish.

President Bagot indicated that item (d) would be taken-up as the last item on the agenda.

President Bagot indicated that, although there is no technical conflict of interest, he would refrain from discussions on item (e) because Jane Graf of Catholic Charities is on the Board of Directors of the non-profit where he works.

At this time, 5:50 p.m., President Bagot turned the Chair over to Ms. Tsen.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Predevelopment Loan in an amount not to exceed \$50,000 to Catholic Charities, Archdiocese of San Francisco, for the development of Agency-owned property at 1028 Howard Street between Sixth and Seventh Streets in the South of Market. In June 1991, exclusive negotiations were authorized for the development of affordable family housing as part of the Agency's affordable housing replacement plan in the South of Market area and the Developer is requesting funds to pay for predevelopment expenses associated with the project. The Developer has been working with the Agency, the City Planning Department and the South of Market community to determine the best development program that would best meet the needs of the neighborhood and a design workshop will be scheduled in late October 1991. At this time thirty-one units are planned that will be affordable to very low and low income households. Catholic Charities plans to submit an application for funds from the State Rental Housing Construction Program and for an allocation of Low Income Housing Tax Credits during the next funding round. If these funding commitments are received, construction would begin by the Fall of 1992.

Charmaine Curtis, Catholic Charities, requested approval of item (e).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-91 BE ADOPTED.

At this time, 5:55 p.m., Ms. Tsen turned the Chair over to President Bagot.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Third Amendment to the Land Disposition Agreement (LDA) with Future Perfect, Inc. for the development of Parcel AA-2 located on the northeast corner of Keith Street between Hudson and Fairfax in Hunters Point. It is requested that this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (f), RESOLUTION NO. 266-91, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 15, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Construction Loan in an amount of \$300,000 to Future Perfect, Inc. from the Second Mortgage Subsidy provided under the Land Disposition Agreement for the development of Parcel AA-2 located on the northeast corner of Keith Street between Hudson and Fairfax in Hunters Point. It is requested this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (g), RESOLUTION NO. 267-91, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 15, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of Exclusive Negotiations, until February 19, 1992, with San Francisco Housing Development Corporation (SFHDC) for Site DD-2 located on the south side of Hudson Avenue at Whitney Young Circle in Hunters Point. The developer has submitted a proposal to construct 25 to 37 single family homes to be purchased by low and moderate income households and is requesting exclusive negotiations be entered into while a Request for Qualifications is issued to solicit responses from potential joint venture partners. Following the four month term of the exclusives, the developer will present a more detailed development proposal to be undertaken by a joint venture entity and provide evidence of financial capacity. SFHDC is a community-based African-American non-profit corporation and would be responsible for functioning as the marketing entity which identifies prospective low and moderate income buyers of other Agency subsidized homes being developed in Hunters Point.

Ms. Tsen noted that she is pleased SFHDC now has staff onboard and believes the project will be successful.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-91 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) President Bagot introduced item (a), which requests authorization to re-open the Public Hearing for the limited purpose of considering the proposed further amendments to the Rincon Point-South Beach Redevelopment Plan Amendment and that the re-opened Public Hearing shall be conducted on Tuesday, November 12, 1991 at 3:00 p.m., in the Legislative Chambers, City Hall, San Francisco, California.

The need to take action on this item arose after posting of the agenda on Friday, October 4, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commissioners is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 4, 1991.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE PUBLIC HEARING BE RE-OPENED ON NOVEMBER 11, 1991 AT 3:00 P.M. FOR THE LIMITED PURPOSE OF CONSIDERING THE PROPOSED FURTHER AMENDMENTS TO THE PROPOSED RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN AMENDMENT.

NEW BUSINESS (Continued)

- (d) Mr. Helfeld introduced item (d), which is a workshop to discuss the City's draft Comprehensive Housing Affordability Strategy (Strategy) which must be submitted to the Federal Government by October 31, 1991 in order to apply for funding under certain Federal funding programs. The National Affordable Housing Act of 1990 requires that State and Local governments must have an approved Comprehensive Housing Affordability Strategy in order to receive funding under Federal housing programs. The Strategy must describe: the affordable housing needs in the City; a five year strategy to meet those needs; and a one-year implementation plan. A draft has been prepared by the Mayor's Office of Housing Development in conjunction with an Advisory Committee comprised of representatives from City agencies, community-based housing development organizations and housing advocacy groups, which will be submitted by the HUD deadline. Because this document has major implications for local housing policy, and there is a possibility that San Francisco could receive an appropriation of up to \$10 million, this workshop is considered to be appropriate to discuss recommendations in the draft Strategy. A hearing was held on September 24 to receive public comment and written comments will be accepted until October 25, 1991.

Mr. Kitahata suggested that the Agency play the role as the City's sole financing agency and he would like the CHAS amended to reflect that role.

Tom Jones and Joel Lipski, Mayor's Office of Housing and Community Development (MOHCD) made presentations and responded to questions from the Commissioners. With regard to Mr. Kitahata's comments, Mr. Jones indicated that the Department of Social Services is the largest housing provider through general assistance monies, not the Redevelopment Agency. However, the Committee that produced the CHAS is receptive to suggestions on coordination and guidance is needed on which agencies to involve and the public process needs to be determined.

Ms. Tsen indicated that local governments cannot resolve the affordable housing issue and there needs to be an organized way of lobbying the State and Federal Governments for funds.

The following persons spoke regarding item (d): Anthony Von der Muhll, San Francisco Coalition on Homelessness; Arnold Townsend; and Morris Phillips.

In response to an inquiry from Mr. Townsend, Mr. Lipski indicated that the document is available at the MOHCD, the City Planning Department and public libraries and approximately 500 copies had been mailed to interested parties.

Mr. Phillips noted that for-profits should be involved and President Bagot indicated that if income levels and length of affordability are met then the developers can be for-profit or non-profit organizations.

Mr. Kitahata left the meeting during the workshop discussion.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

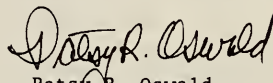
south side of Hudson Avenue at Whitney Young Circle in Hunters Point with San Francisco Housing Development Corporation; and

northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Renaissance Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsien, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 12, 1991

SF
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10/15/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF OCTOBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 15th day of October, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- V. Fei Tsen, Vice President
- Sonia Bolanos
- Leroy King
- Gary Kitahata

DOCUMENTS DEPT.

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and the following was absent:

Haig G. Mardikian

SAN FRANCISCO
PUBLIC LIBRARY

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens; Greg Thurman, Sumitomo Construction America, Inc.; Amelita Pascual, Mission Economic Development Corporation; Alexander Clemens, South of Market Problem Solving Council; Tom McKnight, Sixth Street Merchants Association; Mark Trotz, Mayor's Office of Housing and Community Development; Morry Herman, North of Market Planning Coalition; Philip Faight, Ram's Head; Darryl Higashi and Babette Jee, Chinese Community Housing Corporation; Art Evans, A.F. Evans Company; Ronald Bryant; Dr. R.A. McCoy, Future Perfect, Inc.; Danny Cooke, Turner Construction Company; Sonia Jones, Young Community Developers; Mike Mahoney; and Erick Starr, Sprincin Development Partners IX.

REPORT OF THE PRESIDENT

- (a) President Bagot indicated that David Madway, Agency General Counsel, has been ill and requested the Agency Secretary arrange to send him flowers from the Commission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a "Bolting On" event on October 21, 1991 from 11:30 a.m. to 1:30 p.m. This is for the Center for the Arts at Yerba Buena Gardens and will be held on the site at Third and Howard Streets. Several months ago, the steel contract for the Yerba

Buena Theater and Visual Arts Center in Yerba Buena Center was approved and item (f) on the agenda requests approval of the award of the construction contract for these buildings.

- (b) Effective October 7, 1991, the Diamond Heights Redevelopment Project Area ceased to be under the jurisdiction of the Agency and all permits will go through the City Planning Department.
- (c) The Commissioners have been provided with a report on the status of the City-wide Tax Increment Housing Program as of October 1, 1991.

President Bagot requested a column be added for "Additional Cash Subsidy Leverage".

- (d) An Agency meeting will not be held on October 22, 1991. The next regular Agency meeting will be held on October 29, 1991.
- (e) Gene Suttle, Senior Deputy Executive Director, indicated that an Economic Development Status Report has not been issued this week because there are no changes. The Commissioners have been provided with a flyer on a free seminar on "Fundamentals of starting a small Business" which will be held on October 16, 1991, 6:45 to 9:00 p.m. at the North District Police Station, 1125 Fillmore Street, San Francisco.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Third Amendment to the Land Disposition Agreement with Future Perfect, Inc., for the development of Parcel AA-2 located on the northeast corner of Keith Street in Hunters Point. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (a), RESOLUTION NO. 266-91, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 29, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Construction Loan in the amount of \$300,000 to Future Perfect, Inc., from the Second Mortgage Subsidy provided under the Land Disposition Agreement for the development of Parcel AA-2 located on the northeast corner of Keith Street in Hunters Point. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS ITEM (b), RESOLUTION NO. 267-91, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 29, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED ON BY A SINGLE VOTE OF THE COMMISSION.

At the request of Ms. Tsen, item (c) was removed from the Consent Agenda and considered as a regular item.

At the request of President Bagot, item (d) was removed from the Consent Agenda and considered as a regular item.

- (a) Authorizing a Sixth Amendment which revises the Performance Schedule to the Land Disposition Agreement with Sprincin Development Partners IX for the development of Parcels 779-B and 779-C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets; Western Addition A-2.
- (b) Authorizing an Agreement with Crawford Risk Control Services to perform an Indoor Air Quality Investigation at 770 Golden Gate Avenue at a cost not to exceed \$3,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 269-91 AND 270-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of payment of renewal premiums in an estimated amount of \$42,583 for Marina Operator's Liability, Property, Earthquake and Loss of Rents insurance for the South Beach Harbor in Rincon Point-South Beach.

In response to an inquiry from Ms. Tsen, James Nybakken, Administrative Services Officer, indicated that following a broker selection process two years ago, Curtis Day & Company was designated the broker of record to market the Harbor coverage for a three year period and next year bids will be solicited from other brokers.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-91 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of Exclusive Negotiations with San Francisco Housing Conservation and Development Corporation (SFHCDC), until January 15, 1992, for the development of Site HH-1, the Hunters Point School Site, located on the southeast corner of Ingalls Street and Kiska Road, in and adjacent to the Hunters Point Redevelopment Project Area. SFHCDC proposes to develop a mixed-use project comprised of thirty-two to forty-four ownership units to be purchased by low and moderate income households with limited commercial space.

President Bagot requested staff analyze ratios of State and Federal subsidies on the basis of homeownership versus rentals since there is new State and Federal funding for first time homeowners.

In response to an inquiry from President Bagot, Mr. Helfeld indicated that planning for the site has proceeded slowly because of identifying a viable mix of commercial users and for this reason staff supports scaling down the commercial space and that the project include a neighborhood-serving convenience store and possibly one other use. Should there be no market for the commercial space, staff will re-analyze this use.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-91 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests adoption of a Policy Statement which reaffirms the Agency's intention to construct certain improvements, and to seek funds for this purpose, over a portion of the existing Moscone Convention Center on Central Block 3 (CB-3), located in the block bounded by Third, Fourth, Howard and Folsom Streets in Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 273-91, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 29, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Edmund Ong, Chief, Architecture, introduced item (f), which requests authorization to award the Yerba Buena Theater and Visual Arts Center Construction Contract to Sumitomo Construction America, Inc., in an amount of \$22,097,500 in connection with Yerba Buena Center. In May 1991, the contract for fabrication and erection of the steel for these buildings was authorized and the first steel will be erected on October 21. Following extensive advertising, four base bids and alternate bids for the two buildings were received by the date and time stated for acceptance of bids. The lowest responsible bidder was Sumitomo, an established general contractor located in San Mateo and Long Beach, California, with a good reputation. Awarding the contract at this time will permit the major construction activities on the Agency buildings to take place before the scheduled opening of the Moscone Convention Center expansion in mid 1992 thereby minimizing costly construction delays and avoiding disruptions of the Convention Center activities and make the buildings available early in 1993 in accordance with the schedule for the Center of the Arts. All of the construction costs represented in this contract award for these two buildings is within the overall Yerba Buena Gardens Project Budget. Staff has been meeting with Sumitomo on their Affirmative Action Program and finds it acceptable.

Jerry Allen, Executive Director, Center for the Arts at Yerba Buena Gardens, thanked the Commissioners for their support.

In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that the firm has exceeded the Agency's affirmative action goals.

Ms. Tsen indicated to Greg Thurman, Sumitomo, that although she is pleased with the firm's affirmative action efforts, she would like to see a higher percentage of MBE/WBE participation in the project.

Sylvester McGuire, Agency Affirmative Action Specialist, indicated that the project will be monitored for hiring goals and good faith efforts will be made for 50 percent of the workforce to be San Francisco residents. He noted that a pre-construction meeting has been arranged to which the Agency's service providers will be invited to meet with the construction contractor and sub-contractors.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-91 BE ADOPTED.

- (g) Lucia Mele, Economic Development Specialist, introduced item (g), which requests authorization of the establishment of the South of Market Facade Improvement Loan Program in the amount of \$150,000.
- (h) Lucia Mele, Economic Development Specialist, introduced item (h), which requests authorization of a Fourth Amendment to the Personal Services Contract with Mission Economic Development Association (MEDA) to add \$70,000 for the subcontracts to implement the Program.

The initial contract in an amount of \$100,000, authorized in July 1990, was to provide business technical assistance, business recovery services and loan packaging services to businesses adversely affected by the October 1989 earthquake. It has been amended on several occasions for intensified technical assistance to business owners in the area and to provide funds for a sidewalk steam-clean program. The results of a survey by MEDA indicated that the major concerns of the merchants are crime and the area's physical deterioration. In efforts to address the crime problem, MEDA proposed a security improvement program which was scheduled to begin in the summer of 1991, but it was delayed when it was revealed that HUD funds could not be used for security improvements unless they are installed to bring a building up to Code. MEDA therefore revised the program to focus on facade improvement and street lighting in order to comply with CDBG requirements. The \$70,000 for subcontracts would be for subcontracts with Greg Roja for architectural services in an amount of \$20,000 and with Conservation Corps for painting and plastering in an amount of \$50,000.

The following persons spoke in support of items (g) and (h): Amelita Pascual, MEDA; Alexander Clemens, South of Market Problem Solving Council; and Tom McKnight, Sixth Street Merchants Association.

In response to a request from President Bagot, Mr. McKnight indicated that notices of the Sixth Street Merchants Association meetings will be sent to the Commissioners.

Ms. Tsen noted that, although the Facade Improvement Loan Program will not resolve all the problems, in conjunction with other activities, it will assist in neighborhood revitalization.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 275-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 276-91, BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to purchase Bayview Homes Ltd., II, Promissory Note secured by a Deed of Trust from the Bank of California for \$80,000 plus related transaction costs and authorization to exercise the Agency's remedies pursuant to the Deed of Trust security to Bayview Homes Ltd., II Promissory Note and the Land Disposition Agreement (LDA) for Site X located on the south side of Keith Street at Hudson Avenue in Hunters Point. Since conveyance of the site in July 1981, the Developer has repeatedly failed to meet performance requirements LDA. The Developer has partially performed by developing six of eighteen parcels which were completed in the fall of 1986. Staff has attempted on numerous occasions to move the project forward but the Developer has not been responsive to notification of deadlines and the need for submissions. The LDA was originally authorized by Bayvista Homes who were succeeded by Bayview Homes Ltd., II. It is proposed to purchase the debt on the property to foreclose on the loan to secure immediate performance under the loan and LDA or to take back the site. The Bank has accepted the Agency's offer to purchase the Promissory Note secured by a deed of Trust and other related documents. In order for prospective low and moderate income buyers to use the below market interest rate bond financing, construction of the housing units must be underway for the Spring of 1992 so the loans can be closed before the Summer 1993 expiration date for the bonds. Prompt initiation of the foreclosure is therefore important to ensure timely development of the site.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-91 BE ADOPTED.

- (j) William Rumpf, Chief, Housing Production and Management, Bill Requests authorization of a \$1.9 million Interim Loan Agreement to the Chinese Community Housing Corporation for the acquisition of a site located at 233 Turk Street as part of the City-wide Tax increment Housing Program. A joint venture comprised of Chinese Community Housing Corporation and the A.F. Evans Company propose to construct a nine story structure consisting of 175 rental units and underground parking for 56 cars. The ground floor will

contain a childcare center, a children's play area, and community serving retail. 38 of the units will be affordable to families earning 35 percent of median income; 15 units will be affordable to families earning 50 percent of the median; and the remaining units will rent to households earning less than 60 percent of the median. Financing for the project consists of: a \$1.340 million grant from the Agency for acquisition of the property and \$660,000 in Office Affordable Housing Production Program funds from the Mayor's Office of Housing and Community Development. The current request for \$1.9 million in interim financing is a result of timing constraints imposed by the tax credit allocation and additional complexities resulting from the presence of toxics on the site. This interim loan is therefore being requested which will be subject to the Sponsor satisfying certain conditions and it will be repaid at construction loan closing in February or March 1992.

The following persons spoke in support of item (j): Mark Trotz, Mayor's Office of Housing and Community Development (MOHCD); Morry Hermon, North of Market Planning Coalition; Philip Faight, Ram's Head; Darryl Higashi and Babette Jee, CCHC; and Art Evans, former employee of the Redevelopment Agency and the Joint Venture partner.

Mr. Trotz described the financing arrangements for the project and indicated that MOHCD will reimburse the Agency for half of the \$1.9 million in the event the project does not go forward. He noted that the construction lender, Wells Fargo, will not provide funds until the existing structure on the site is demolished and the extent of toxics determined. Wells Fargo wants an absolute assurance of the condition of the site which will be given in the form of a letter from the State local regulators, but this cannot be obtained until the existing building is torn down.

In response to an inquiry from Mr. Kitahata regarding the nature of the joint venture, Mr. Higashi indicated that in terms of benefits CCHC and the A.F. Evans Company are sharing the development fees 50/50. In terms of predevelopment fees, A.F. Evans has put in at-risk monies.

Mr. Kitahata indicated he would like to see a written binding agreement with the City that half of the \$1.9 million loan will be reimbursed to the Agency in the event the project does not go forward.

Ms. Jee responded to questions regarding funding for toxic remediation. She indicated that approximately \$400,000 to \$500,000 has been set aside for the first phase of toxic remediation. The Wells Fargo financing commitment is contingent upon submission of an approved site mitigation plan and once the construction loan closes an additional \$700,000 will be available.

Minutes of a Regular Meeting, October 15, 1991

President Bagot requested that a summary of the ethnic composition of staff and MBE/WBE participation be provided on a regular basis when non-profit projects are before the Commission.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-91 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (f) Mr. Helfeld reported that Morris "Mo" Bernstein passed away on October 12, 1991.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted that a good report has been made by Francine McKinney, Executive Director, San Francisco Housing Development Corporation (SFHDC) on the status of Loan Processing for Hunters Point Affordable Homeownership Program.
- (b) President Bagot noted that the South of Market Problem Solving Council has requested a workshop on the Sixth and Minna site and William Rumpf, Chief, Housing Production and Management, indicated this would be arranged.
- (c) In response to an inquiry from President Bagot, Mr. Helfeld indicated that a report will be made by the Minority Television Project (MTP) at the October 29, 1991 meeting.
- (d) In response to an inquiry from President Bagot, Mr. Helfeld indicated an additional extension of time for relocation of the Pier 42 Bulkhead Building has been requested of the San Francisco Bay Conservation and Development Commission (BCDC).

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ronald Bryant noted that he believes that the Agency's affirmative action program is being compromised by the Iron Workers Union.

President Bagot indicated that staff will investigate Mr. Bryant's allegations and make a report at the October 29, 1991 meeting.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII.

Minutes of a Regular Meeting, October 15, 1991

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, October 11, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

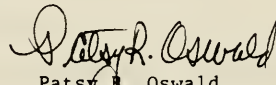
MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 11, 1991.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the northeast corner of Fourth and Harrison in Yerba Buena Center with Taldan Investment Company.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 12, 1991

SF
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10/29/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF OCTOBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of October, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Leroy King
Haig G. Mardikian

DOCUMENTS DEPT.

and the following was absent:

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Gary Kitahata (Arrived 5:50 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Olsen Lee, Mayor's Office of Housing; Otis McGee and Jai Johnson, Minority Television Project (MTP); Ray Jones, Urban Economic Development Corporation (UEDC); Adele Santos; Paul M. Friedberg; Ron Eggerman, Director, Ansel Adams Center; Alvin Norman; Dr. Rhody McCoy and Yvette McCoy, Future Perfect, Inc.; Jeff Mori, Japanese Community Youth Council; Mas Ashizawa, Nihonmachi Parking Corporation; Paul Osaki, Japanese Cultural Center; David Killen and Morris Philips, Fillmore Market Place Associates; Sylvia Quan, Patrick Moore and Al Boveice, Housing Development and Neighborhood Preservation Corporation (HDNCP); Ed de la Cruz, West Bay Pilipino Multi-Service Center; Loretta Starvus Stack and Natalie Shul, Glenridge residents; Ronald Bryant; Cynthia Stone; Stanley Pauer, Physically Disabled Quorum; and Scott Sypher, Coro Foundation.

Representing the press were: Gerald Adams, San Francisco Examiner; and Ingfei Chen, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Tsen, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 6, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 13, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 20, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of August 27, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Otis McGee, President, and Jai Johnson, Station Manager, gave a status report on the Minority Television Project (MTP), and responded to questions from the Commissioners.

Mr. McGee announced that John Douglas has accepted the position of General Manager of the station effective November 1, 1991.

Ms. Johnson addressed questions raised in the Agency's letter dated October 21, 1991 and noted that a list of employees and their residences has been provided to the Commission. She noted that a Community Advisory Board is being established and that the Agency is working with the station in finding appropriate temporary office space in the Fillmore area before seeking long term space.

In response to an inquiry from President Bagot, Ms. Johnson indicated that the consultants prefer information on fundraising sources be kept confidential because it could inhibit the results if it were made public. However, upon assurance that it will be kept confidential, the information will be provided to the Commission.

David Madway, Agency General Counsel, noted that it should be stated in the communication that the information is to be kept confidential.

Mr. Helfeld indicated that the October 21, 1991 letter was written as a result of personal discussions with Mr. McGee who felt there were some misunderstandings. A meeting will be held this week to clarify all issues.

In response to an inquiry from Ms. Bolanos, Mr. McGee indicated that it is intended to expand the Board of Directors in the future, however, if it were done at this time it could delay the FCC licensing process. The expansion of the Board is not a requirement in the Grant Agreement, but it does contain a provision that it will be given top priority.

- (b) There was a "Bolting On" October 21, 1991 for the Center for the Arts at Yerba Buena Gardens. As a part of the successful "Bolting-On" ceremony signifying construction start for the two cultural buildings, certain staff members were mentioned who had

a substantial involvement in the project. This was not intended to be an inclusive list since many other staff members have made significant contributions. However, Walter Yanagita, Senior Staff Architect, a very significant member of the staff team, was inadvertently overlooked and I would like to acknowledge his contribution and efforts he made in bringing this project to a construction start.

- (c) There will not be an Agency meeting on November 5, 1991. The next regular meeting will be held on November 12, 1991.
- (d) On October 29, 1991, the Progress Foundation had their groundbreaking ceremonies at the site of Progress Apartments which is a HUD 202 12-unit project for the mentally disabled. The Redevelopment Agency played a major role in the project by purchasing the site and granting \$110,000 for construction. Mayor Art Agnos and Supervisor Gonzales were in attendance.
- (e) The San Francisco Housing Authority is holding their Grand Opening of the Robert B. Pitts Plaza (formerly Yerba Buena Plaza West) at 11:00 a.m. on October 30, 1991, on Scott Street between Turk and Eddy Streets.
- (f) There was a groundbreaking ceremony on October 28, 1991 on the Embarcadero Roadway which is important to the City.
- (g) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.

In response to an inquiry from Ms. Bolanos, Ray Jones, UEDC, indicated that the Fillmore Center would be very receptive to a jazz club, however, there are difficulties because of strict driving laws related to liquor.

- (h) Staff is recommending that item 6 (f), a Second Amendment to the Land Disposition Agreement with Taldan Investment Company and item (i), a Third Amendatory Agreement to the Land Disposition Agreement with Fillmore Market Place Associates, be continued. It is also recommended that the staff report on Ronald Byrant's allegations at the October 15, 1991 meeting be considered at the end of the meeting.

President Bagot announced that items 5 (a) and 5 (b), Unfinished Business, would be taken-up later in the meeting.

NEW BUSINESS- CONSENT AGENDA

President Bagot indicated that Mr. Kitahata has requested that Consent Agenda items (c) and (d) be considered as Regular Agenda items.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing rate changes for transient commercial charter vessels and transient recreational vessels at the South Beach Harbor; Rincon Point-South Beach.
- (b) Authorizing payment not to exceed \$100,000 to the Department of Public Works for Plan Checking and Permit Costs for the Esplanade in Yerba Buena Gardens; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 279-91 AND 280-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Edmund Ong, Chief, Architecture, introduced item (c), which requests authorization of an expenditure of \$75,000 for printing and other costs in connection with the bidding of the Esplanade in Yerba Buena Center. The contractors will be required to pay the Agency a non-refundable fee of \$300 for each bid set which partially offsets the Agency's expense for providing plan sets and addenda to the contractors, builder's exchanges and minority business centers.

President Bagot indicated that Mr. Kitahata's concern is whether a sufficient amount is being charged for the bid sets.

Ms. Tsen noted that the packages need to be widely distributed so minority contractors have an opportunity to bid.

Mr. Ong indicated that the \$300 is a little above printing costs and Ms. Tsen indicated she was satisfied with the fee amount.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-91 BE ADOPTED.

- (d) Robert Firehock, Deputy Agency Counsel, introduced item (i), the expenditure of not exceed \$50,000 for Defense Costs in Independent Housing Services, et al v. San Francisco Redevelopment Agency, et al; (ii) a Personal Services Contract with the law firm of Bronson, Bronson and McKinnon in the amount of \$25,000; and (iii) an amendment to the contract with McCutchen, Doyle, Brown & Enersen to increase the amount by \$25,000; both firms to provide legal services for such defense; Western Addition A-2. The Agency is named Defendant in a lawsuit generally alleging failure to assure and provide handicapped accessible units at Fillmore Center. The Agency is indemnified by the Developer, Fillmore Center Associates, pursuant to the Land Disposition Agreement, but their financial difficulties have raised the question of the adequacy of the defense they are prepared to fund. It is anticipated that the action being requested to retain two outside law firms will

result in the case against the Agency being expeditiously dismissed and expenses in this connection will be reimbursed by the Developer.

In response to an inquiry from Ms. Tsen, Mr. Firehock indicated that Independent Housing Services is aware of the Agency's concern at this case against the Agency.

In response to an inquiry from President Bagot, Mr. Firehock indicated that Bronson, Bronson & McKinnon's affirmative action program record is satisfactory.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-91, BE ADOPTED.

- (e) William Carney, Staff Architect, introduced item (e), which is a workshop for a presentation by Adele Santos, Architect, and M. Paul Friedberg, Landscape Architect, on the preferred Program and Master Plan alternatives for Central Block 3 (CB-3) in the Yerba Buena Gardens of Yerba Buena Center. The program for CB-3 includes a Child Care Center, an Ice Rink/Bowling Center, a Children's Place and a carousel, all set in an active Children's Garden. The design team has met on several occasions with the Advisory Committees representing these uses and with the CB-3 Policy Advisory Committee to review the Program and Master Plan. This process is intended to achieve a Program and Master Plan which will have wide community support and serve as the basis for subsequent development of full schematic design and construction documents. The schematic design is currently scheduled to begin in November 1991, leading to start of construction in early 1993 and completion of the project in 1994. Proposals for the Child Care Center and the Ice Rink/Bowling Center by potential operators have been presented in separate public workshops. Staff and the committees are currently evaluating the proposals and will make a recommendation in the near future. As suggested by the Commission, preferred alternatives with and without the bowling center option will be presented.

The Architects made a presentation and responded to questions from Ron Eggerman, Director, Ansel Adams Center, regarding points of access to the Gardens.

President Bagot noted that he did not want to mislead the public with a design that cannot be funded.

In response to an inquiry from Ms. Tsen, Helen Sause Project Director, Yerba Buena Center, indicated that the next step in the process will be refining the budget and establishing priorities of items to be built. It is hoped to present a preliminary report on the Program and Master Plan for CB-3 at the November 12, 1991 meeting and consideration of adoption at the November 26, 1991 meeting.

Ms. Tsen noted that Adele Santos and Paul Friedberg are talented designers and commended the volunteers serving on the various committees and noted the importance of sufficient notice to interested groups and individuals for their input and review.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Second Amendment to the Land Disposition Agreement (LDA) with Taldan Investment Company for the development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 283-91, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 12, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

UNFINISHED BUSINESS

- (a) Michele Davis, Assistant Housing Development Specialist, introduced item (a), which requests authorization of a Third Amendment to the Land Disposition Agreement (LDA) with Future Perfect, Inc. for the development of Parcel AA-2 located at the northeast corner of Keith Street in Hunters Point.
- (b) Michele Davis, Assistant Housing Development Specialist, introduced item (b), which requests authorization of a construction loan the the amount of \$400,000 to Future Perfect, Inc., from the Second Mortgage Subsidy provided under the Land Disposition Agreement for the development of Parcel AA-2 located at the northeast corner of Keith Street in Hunters Point.

Subsequent to authorization of the LDA in October 1989 for the construction of 62 units to be purchased by low and moderate income buyers, the Developer has incurred cost overruns in the infrastructure construction budget. There have been disputes with the original general contractor and the Developer is changing to a new general contractor for the building improvements which has resulted in the total development costs exceeding the amount of financing currently available to the project. The source of funds for the \$400,000 construction loan would be provided out of the \$1.265 million second mortgage provided under the LDA at an 11 percent rate of interest due and payable within 18 months or upon sale of the homes, whichever occurs first, and funds would be disbursed subject to the Developer complying with certain conditions. Although it is not normal Agency practice to cover such a shortfall, staff believes it is the best alternative to keep the project under construction and meet the revised construction completion date of January 13, 1993.

Alvin Norman noted that the \$400,000 loan should not be granted until the Developer comes up with a better plan for the community. He noted that there no persons in the 94124 zip code area employed on the project and that the Developer has not submitted a financial statement for this parcel.

Ms. Davis noted that the resolution would be amended to indicate approval of the loan is subject to receipt of an acceptable Settlement Agreement between Future Perfect and J.H. Fitzmaurice. She responded to questions from the Commissioners regarding security for the loan and the nature of the dispute between the Developer and the original contractor.

Sylvester McGuire, Agency Affirmative Action Specialist, reported on the Developer's affirmative action efforts. To date, there are seven sub-contractors on-site, six of which are minorities and four are from the 94124 zip code area.

Gene Suttle, Senior Deputy Executive Director, noted that a staff member will be on-site on a daily basis to monitor the project and will make reports.

Mr. Kitahata arrived at this time 5:50 p.m.

Dr. Rhody McCoy, Future Perfect, Inc., responded to questions from the Commissioners regarding project costs and noted that changes have been made to the original design of the project by the Agency which has added to costs, however, these are infrastructure costs and the total cost of the units has not increased.

In response to an inquiry from Ms. Tsen regarding security for the loan, David Madway, Agency General Counsel, indicated that this is not a customary situation but a business negotiation. If the Commissioners want additional security, it would involve pulling title reports and other related documents which would be time consuming.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-91 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-91 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (g) Richard Kono, Chief, Development and Real Estate, introduced item (g), the purpose of which is for consideration of staff's analysis of the proposed developments by Nihonmachi Parking Corporation and a proposed Joint Venture for the development of the parking lot on a parcel located within the block bounded by the Buchanan Mall and Sutter, Laguna and Post Streets in the Western Addition A-2. Nihonmachi, who were placed in default for failure to submit evidence of financing, made a status report on its efforts to develop the parking lot at a workshop on October 8, 1991. At the same meeting a proposed Joint Venture, consisting of the Japanese Cultural and Community Center of Northern California and the Japanese Youth Council, both non-profits, and unnamed private investors, recommended termination of Nihonmachi's agreement with the Agency and selection of the proposed Joint Venture to take over development

of the parking lot. At this time, Nihonmachi has a conditional loan commitment from Union Bank, however, it must be reconsidered by the Bank's Loan Committee because it was not executed by October 15, 1991. In addition, the building permit held by Nihonmachi is being appealed to the Board of Permit Appeals by the owner of a building which abuts the proposed parking lot. However, it is anticipated the appeal will be denied at the November 20, 1991 hearing. Assuming that the building permit is not revoked and financing is assured, construction of the parking lot could begin within four months. Although the proposed Joint Venture has plans for obtaining construction financing, funds would not be available until mid-1993 since one of the possible funding sources is the Mayor's Office of Community Development and application could not be made until after the Joint Venture gains site control. In addition, unless an arrangement is made with Nihonmachi regarding the building permit, the Joint Venture would have to go through the entire plan production and review process and building permit process which would take approximately a year. Following evaluation of both proposals, staff recommends Nihonmachi be permitted 60 days to finalize its loan and 60 days thereafter to commence construction of the parking lot. If this is not accomplished within the time period, its agreement with the Agency should be terminated and consideration given to disposition of the property to other developers, including the Joint Venture. Time is needed to prepare the Amendment to the Agreement and to obtain the Plan and Building Permit Assignment Agreement from Nihonmachi, both of which will be brought before the Commission for consideration when they have been executed.

The following persons spoke regarding item (g): Jeff Mori, Japanese Community Youth Council; Mas Ashizawa, Nihonmachi Parking Corporation; and Paul Osaki, Japanese Cultural Center.

Mr. Mori and Mr. Osaki indicated they support staff recommendation now that it appears the project will proceed. However, in the event the agreement with Nihonmachi is terminated, it is requested the Joint Venture proposal be considered as the assignee.

Mr. Ashizawa requested approval of staff recommendation.

Mr. Kitahata indicated that he hopes Nihonmachi can proceed but, if not, then there is a need to look at the best use for the land besides parking in a way that will benefit the community.

Mr. King indicated that in the event Nihonmachi does not proceed then the two community groups interested in developing the parcel should be given first priority.

Following discussion, it was the consensus of the Commission they would wait the 60 days that Nihonmachi has to finalize its loan before reconsidering this matter.

President Bagot announced that there would be a brief recess. The meeting recessed at 6:25 p.m. and reconvened at 6:35 p.m. with the same roll call.

- (h) Edmund Ong, Chief, Architecture, introduced item (h), which is a workshop on design, housing affordability and proposed changes to the additional terms, covenants and conditions to the Land Disposition Agreement (LDA) with Fillmore Market Place Associates for the purchase and development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The initial proposal called for the development of for-sale residential condominiums, however, because of current market conditions for financing, it is now proposed to construct 120 rental units affordable to households at 60 percent of the area median for 50 years.

David Killen, Stanton & Associates, Project Architects, presented the revised design concept and responded to questions from the Commissioners.

At Ms. Tsen's request, Morris Philips, Fillmore Market Place Associates, noted the rents that will be charged for the units.

Ms. Tsen noted her concern that there is only one entrance onto the street and that there is only one long corridor, which does not permit very low income families to identify a space of their own. Mr. Killen indicated that every effort will be made to have the design reflect the character of the neighborhood and it is planned to set the entry of each unit back to make them more personalized.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Third Amendatory Agreement which revises the Schedule of Performance and the additional terms, covenants and conditions to the Land Disposition Agreement with Fillmore Market Place Associates for the purchase and development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT OF THE OBJECTION OF ANY COMMISSIONER, ITEM (i), RESOLUTION NO. 284-91, WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 12, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) Edward Ong, Chief, Architecture, introduced item (j), which is a workshop on the design of an affordable housing project being developed by Housing Development and Neighborhood Preservation Corporation (HDNCP) on Agency-owned property at 7th and Natoma Streets in the South of Market. The proposed development consists of 27 family rental units, the majority of which contain two and three bedrooms, and a small amount of commercial space along 7th Street. The design has been based on input obtained from several community meetings as well as from Agency and City Planning staff.

- (k) William Rumpf, Chief, Housing Production and Management, introduced item (k), which is a workshop to discuss a proposed Predevelopment Loan to Housing Development and Neighborhood Preservation Corporation related to the development of Agency-owned property at 7th and Natoma Streets in the South of Market, and consideration of a policy to expand the Predevelopment Loan Program to include administrative funds for non-profits. Generally, Agency predevelopment funds have been utilized primarily for various consultant contracts and its tax increment housing funds have not been used to a non-profit developer's administrative and overhead costs. The majority of non-profits rely upon an annual allocation of CDBG funds, fundraising and development fees to cover their overhead costs and administrative costs can generally be reimbursed out of the project's construction loan. However, HDNPC indicates that its organization is structured in such a way that CDBG funding covers only rehabilitation, not new construction activities. Since this loan would represent a new use of tax increment funds, staff recommends further policy review by the Commission, the Mayor's Office of Housing and Community Development and non-profit housing corporations before adopting a general policy of expanding the predevelopment program to include administrative funds.

Sylvia Quan and Patrick Moore, Project Architects, made a design presentation and Al Bovice, HDNPC, gave a general overview of the project and responded to questions from the Commissioners.

Ed de la Cruz, West Bay Pilipino Multi-Service Center, noted that the Developer has made presentations at four community meetings and to the South of Market Problem Solving Council.

Ms. Tsen noted the importance of the unit mix to get the highest points when applying for State funding. She noted her reluctance to pay administrative costs for this project because it will create a precedent and diminish the Agency's capital funding base. Further discussions are needed between the Agency and the Mayor's Office of Housing (MOH) since a major policy change is involved. The Agency does not have the staff to monitor administrative funding which is presently done by the Mayor's Office of Housing.

Mr. Bovice indicated that it appears the project has been caught in the middle of a policy situation and he would have opened up discussions on the subject several months ago if he had been aware of this.

Olsen Lee, Mayor's Office of Housing, explained the City process of granting funds to non-profits. He indicated that MOH is currently holding discussions with the Agency and the California Community Housing Organizations (CCHO) to establish an acceptable policy.

President Bagot indicated he would prefer that administrative funds be administered by MOH and the Agency keeps its monies for

capital funding. However, he would not like to see the project held up because of the need to establish a policy which will take some time.

Mr. Helfeld suggested that preliminary policy issues be brought before the Commission at the November 12, 1991, at which meeting action will be requested on HDPNC's request for administrative funding.

- (1) Carol Anderson, Housing Development Specialist, introduced item (1), which requests authorization of an amendment to the Grant Agreement between the Agency and the San Francisco Affordable Housing Preservation Association, Inc. (Association) which increases the grant amount by \$110,655 for predevelopment expenses for a resident purchase of Glenridge Apartments, as part of the Subsidized Housing Preservation Program. The predevelopment expenses are associated with the acquisition and rehabilitation of a 275 unit affordable housing project at 9 Berkeley Way in connection with which the owner submitted the necessary notice of "Intent to Prepay Mortgage". The project is a project financed by the Federal Government and its transfer will be regulated by the U.S. Department of Housing and Urban Development (HUD). In February 1991, a \$75,000 predevelopment grant was approved to the Association which is a non-profit corporation formed by the Glenridge Residents' Council who propose forming a limited equity cooperative. To date, significant progress has been made in efforts to acquire the property and studies are being conducted to determine project feasibility. In addition, various inspections needed to develop a detailed financial and rehabilitation plan are in process. The financing plan will be based on the actual incomes and assets of the residents which demonstrates that cooperative shares and rents will be affordable to low income residents for 50 years. The Tax Increment Housing Program Loan Committee has recommended approval of this request subject to: the commencement of Association Board training; and that a maximum of \$50,000 of the additional funds be disbursed prior to Agency approval of a more detailed feasibility study and submittal of a Plan of Action to HUD. The Association has agreed to follow the Agency's Affirmative Action Program. To date, five of the twelve consultants hired are MBE/WBE contractors and the total amount of contracts awarded to MBE/WBE's is 38.5 percent of the total amount awarded to date. The Association's Board has nine board members, five of which are minorities and seven are female.

The following persons spoke regarding item (1): Loretta Starvus Stack and Natalie Shul, Glenridge residents.

Ms. Stack and Ms. Shul indicated their support of item (1), but noted their concern regarding a sewage problem at the project which has not been resolved despite numerous complaints to management.

President Bagot requested staff pursue this matter with the property owner and report back at the November 12, 1991 meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot requested that the draft response to Samuel Murray's letter of September 17, 1991 regarding the Third Street Corridor study be reviewed by all Commissioners before it is signed.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Joseph LeJarza, Agency Affirmative Action Specialist, indicated that at the October 15, 1991 meeting, Ronald Bryant addressed the Commission alleging payment of bribes and that the Agency's Affirmative Action Program is being compromised by the Iron Workers Union. Staff investigated the allegations and the Commissioners have been provided with a written report which indicates there is no evidence to support the allegations.

Mr. King indicated that union activities are not the Agency's responsibility and there should not be a hearing without union representatives present.

Mr. Bryant introduced Cynthia Stone. He noted his concern that Ella Hill Hutch Community Center and Agency staff are giving incorrect reports on what is happening in the projects and President Bagot requested he submit any allegations against Agency staff in writing which will be the subject of a report at a future meeting.

President Bagot announced that there would be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's Real Property Negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company; and

San Francisco Naval Shipyards with the United States Navy; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

Minutes of a Regular Meeting, October 29, 1991

There is an an additional Closed Session item which arose subsequent to posting of the agenda on Friday, October 25, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

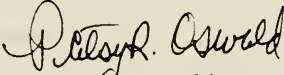
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY AROSE TO ACT ON THIS ITEM AFTER POSTING OF THE AGENDA ON OCTOBER 25, 1991.

This item pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Whitney Young Circle at Newcomb Avenue in Hunters Point and the entity the Agency may negotiate with is Progress Seven.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to five Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 8:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 12, 1991

SF
R35
#4
11/12/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF NOVEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 12th day of November, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
V. Fei Tsen, Vice President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian

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and the following was absent:

Leroy King

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: William Diefenbach, The Sequoias; Morris Philips, Fillmore Market Place Associates; Bill Witte; Logan Miles; Al Bovice, Housing Development and Neighborhood Preservation Corporation; Calvin Welch, California Community Housing Organizations; Brad Paul, Mayor's Office of Housing and Community Development; Supervisor Gonzales; Roberto Barragan, Mission Economic Development Association/24th Street Revitalization Committee; Manual Rosales, California Hispanic Chamber of Commerce; Carlos Villalva and Anne Marie Cervantes, Urban Design Advisory Group; Ron Gallegos, Mission Neighborhood Centers, Inc.; Cristina Salguera; Bob Davis; Mitchell Salazan, RAP Youth Program; Ricardo Lua, Joseph Sciancalepore and Robert Sanchez, 24th Street Merchants Association; Myma Melgar, St. Peter's Housing Committee; Pete Gallegos, Mission Economic Development Corporation; Rosa Rivera, President 24th Street Merchants Association; Jales Valadao; and Ronald Bryant.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of September 17, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of September 24, 1991, as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, November 12, 1991

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of October 1, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of October 8, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of October 15, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of October 29, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of September 10, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of September 17, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of September 24, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of October 1, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of October 8, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of October 15, 1991, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of October 29, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Since there will be no action taken on item (g), authorizing and Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P., it suggested that this meeting be adjourned to call of the Chair in case it becomes necessary to act on this item.

- (b) There are three additional Closed Session items to be added to the agenda.
- (c) There will not be an Agency meeting on November 19, 1991. The next regular meeting will be held on November 26, 1991.
- (d) The Commissioners attended the Joint Public Hearing with the Board of Supervisors on November 12, 1991, at which the Proposed Redevelopment Plan Amendment for the Rincon Point-South Beach Redevelopment Project Area was adopted.
- (e) A ceremony was held on November 12, 1991 to celebrate Yerba Buena Gardens, L.P. relinquishing the Sports Parcel in Yerba Buena Center to the Agency for the new home of the Mexican Museum.
- (f) Escrow will close on November 12, 1991 on four of the fifteen units in Progress Seven's City View Project. Three of the four buyers are at or below 80 percent of the area median income and the other buyer is below 100 percent of median. An additional four households have been approved by the first lender and are expected to close within a month or so.
- (g) The Commissioners have been provided with a draft Tenderloin Economic Development Plan developed by the Mayor's Tenderloin Task Force and the North of Market Planning Coalition's "Tenderloin 2000" Project.
- (h) In response to an inquiry from President Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that there is no change in the status of Mignon McGregor's loan.

UNFINISHED BUSINESS

- (a) Philip Williams, Housing Development Specialist, introduced item (a), which requests authorization of a Third Amendatory Agreement which revises the Schedule of Performance and the additional Terms, Covenants and Conditions to the Land Disposition Agreement with Fillmore Market Place Associates for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The initial proposal called for the development of for-sale residential condominiums, however, because of current market conditions for financing, it is now proposed to construct 120 rental units affordable to households at 60 percent of the area median for a term of 50 years. Subsequent to Agency agreement to a land write-down of \$448,000 for the condominium development so that the Developer could provide 28 affordable units, a recent appraisal gives a new appraised fair market value of \$3.960 million for the site. Since the Agency has agreed to convey the site for \$1.824 million, the revised write-down is \$2.136 million or \$17,800 per unit which it is believed will make the Developer's application for State Rental Housing Construction Program funds competitive during the application review process because a local agency must provide at least \$250,000 in financial support for a project. In addition, the Agency provided a \$173,495 predevelopment loan to

pay a tax credit reservation fee and performance deposit. Pursuant to receipt of a \$2,168,691 preliminary reservation in Federal Tax Credits annually for ten years, the Tax Credit Allocation Committee requires demonstration of site control by November 15, 1991 and certification that more than 10 percent of the budget will be incurred by December 31, 1991. The Third Amendatory Agreement would permit conveyance of the parcel in order to satisfy tax credit requirements but also provides that the land will revert back to the Agency in the event the project does not proceed. With regard to an existing building on the site with resident tenants, staff will work with the Developer to develop an acceptable Property Management and Relocation Agreement. The revised performance schedule calls for: submission of evidence of financing by May 1, 1992; commencement of construction by June 1, 1992 with completion within eighteen months of the conveyance date of November 15, 1991, but no later than June 1, 1994. The Commission reviewed the proposed design at the October 29, 1991 Agency meeting and a number of issues were identified which merit further discussion. The Developer's architect has agreed to work with Agency architectural staff in developing and refining the design.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732 and she would therefore refrain from discussions and voting on this item.

Mr. Williams responded to questions from Mr. Kitahata on the status of issues to be addressed and indicated that staff has only just received the November 7, 1991 letter from Housing Associates, Inc. regarding the Fillmore Market Place project and has not had time to analyze it.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 284-91 BE ADOPTED.

Mr. Kitahata noted that voting for this item does not mean that he accepts the proposal contained in the November 7, 1991 letter.

Morris Phillips, Fillmore Market Place Associates, and Bill Witte, Consultant, requested that in order to retain the tax credits, the Agency provide a letter to the Tax Credit Allocation Committee indicating that the Commission is finalizing certain details regarding the amended LDA and expects to have agreement in the near future.

At President Bagot's request, Mr. Phillips noted the partnership structure.

Mr. Helfeld noted that the Developer is requesting the site be conveyed without a down payment, however, staff believes that the Developer should make a downpayment of 10 percent of the land cost. Staff has only just been made aware that November 15, 1991 is not the absolute deadline for conveyance of the site in relation to the tax credit allocation and it is suggested this

item be continued for two weeks to provide time for submission of outstanding documentation. In the meantime, a letter can be written to the Tax Allocation Committee indicating that negotiations are still in process and it is expected agreement will be reached shortly.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MS. TSEN ABSTAINING, THAT THE MOTION TO ADOPT RESOLUTION NO. 284-91 IS HEREBY RESCINDED AND THAT THE ITEM BE CONTINUED TO THE MEETING OF NOVEMBER 26, 1991.

NEW BUSINESS- CONSENT AGENDA

At the request of Ms. Bolanos, item (a) was removed from the Consent Agenda and considered as a Regular Agenda item.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON A A SINGLE VOTE OF THE COMMISSION.

- (b) Authorizing a First Amendatory Agreement which revises the Schedule of Performance to the Agreement for Disposition of Land with GP/TODCO for the purchase and development of the parcel located on the southeast corner of Sixth and Tehema Streets; South of Market.
- (c) Authorizing a Third Amendment, which extends the term and increases the amount payable by \$17,000, to the Janitorial Services Contract with W & F Building Maintenance Co., Inc. for the South Beach Harbor; Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b) AND (c), RESOLUTION NUMBERS 287-91 AND 288-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Sixth Amendment to the Agreement for Legal Services with the law firm of Dinkelspiel, Donovan & Reder which increases the maximum amount payable by \$25,000, increases the hourly rates, and makes certain administrative changes, in connection with All Redevelopment Project Areas.

Ms. Bolanos noted her concern at the firm's affirmative action record.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-91 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in Conditionally granting Lot Coverage and Side Yard Variances to the Northern Presbyterian Homes, Inc.; Western Addition A-1.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Edmund Ong, Chief of Architecture, introduced item (d), which requests Conditional granting of two Variances to Northern California Presbyterian Homes, Inc., (The Sequoias), which modify the permitted lot coverage and side yard requirements for the proposed two-story Skilled Nursing Facility located in the block bounded by Geary, Post, Buchanan and vacated Laguna Streets in the Western Addition A-1. The Owner has requested Agency approval to construct a two-story Skilled Nursing Facility above open parking at the eastern end of their building. In order to accommodate the proposed new addition, variances from the Redevelopment Plan are being requested which would reduce the minimum required 20 foot side yard setback to 5 feet and increase the maximum permitted 25 percent lot coverage to 29.4 percent. The Sequoias, constructed in the 1960's consists of 299 residential units for the elderly. This addition would provide on-site space for any residents who become ill and require skilled nursing care. The adjacent Cathedral Hill Plaza project has a parking garage with tennis courts and fence on top, totalling approximately 24 feet in height. The proposed new addition, the major portion approximately 36 feet high, has minimal effect on the adjacent development. Staff also believes that the granting of these variances would have minimal impact on the overall sense of open space and the architectural quality of the project. This would be conditional approval because the Redevelopment Plan also requires approval of the variances by the City Planning Commission. This parcel is zoned RM-4 in the City Planning Code and there is no side yard setback requirement for this zoning district. The immediate adjacent projects have indicated support of the proposed project. William Diefenbach, The Sequoias, is available to answer any questions.

In response to an inquiry from Logan Miles regarding pedestrian access on vacated Octavia Street, Mr. Ong indicated that the proposed addition does not change the existing access to the project.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-91 BE ADOPTED.

- (e) Philip Williams, Housing Development Specialist, introduced item (e), which requests authorization of an Option Agreement with BRIDGE Housing Corporation which would provide the Agency with an option to acquire property located at the southwest corner of Fell and Gough Streets as part of the City-wide Tax Increment Housing Program. Subsequent to authorization of a \$1.5 million Regulatory and Grant Agreement in June 1991 for the development of affordable housing on the subject property, BRIDGE has

concluded negotiations with the seller to purchase the property for \$3.150 million and escrow is scheduled to close by November 15, 1991 when BRIDGE must make a \$1.5 million installment payment. On November 1, 1992 another \$1.5 million payment is due with the remaining balance of the purchase price with any accrued interest due on November 1, 1993. The Developer's funding request was approved subject to certain conditions, two of which have been met with regard to evidence of financing and approval by the Board of Supervisors of the Agency's 1991-1992 budget. The architectural studies submitted did not meet the Agency's guidelines for density and building massing, however, the Developer has agreed to work with Agency staff through all architectural phases of the project. The Developer advises that the other requirement for submission of an Environmental Hazardous Waste Analysis will be met before escrow closing. The Option Agreement stipulates that the Agency will have the option to purchase the property, without becoming obligated to purchase at an agreed consideration and under specified terms and conditions set forth in the agreement. The cost to the Agency for the Option Agreement is \$100. Because of its proximity to the Central Freeway, the parcel is being considered by Caltrans as a possible location for freeway ramps, however, Caltrans and the Mayor's Office are in the process of developing alternative solutions for the location of the ramps. If the Agency chooses to exercise its option to purchase the property in order to facilitate the completion of the freeway project, staff will negotiate with Caltrans to trade this property for other surplus properties owned by the State for affordable housing development.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-91 BE ADOPTED.

- (f) William Rumpf, Chief, Housing Production and Management, introduced item (f), which requests authorization of a First Amendatory Agreement to the Predevelopment Loan Agreement with Housing Development and Neighborhood Preservation Corporation (HDNPC) which increases the loan by an amount not to exceed \$75,000 for the development of Agency-owned property located at 7th and Natoma Streets in the South of Market. On October 29, 1991 a workshop was held to discuss a request for a \$127,778 predevelopment loan to HDNPC for administrative costs associated with the project and to consider a policy to expand the Predevelopment Loan Program to include administrative funds for non-profit housing developers because this would represent a new use of tax increment funds. Staff is presently conferring with the Mayor's Office of Housing and the Council of Community Housing Corporations on this subject. At the workshop, the Commissioners expressed a general preference for spending tax increment housing funds on direct project costs and also noted that Agency monitoring of administrative funding would duplicate staff functions now performed by the Mayor's Office of Housing and Community Development. However, the Developer has indicated that receiving administrative funding is necessary to meet the project's development schedule because its organization is structured in such a way that its CDBG funding covers only

rehabilitation, not new construction activities. Although staff recommends approval of an increase in the existing predevelopment loan of \$75,000 to pay administrative costs and the initial portion of a developer fee, subject to a performance-based disbursement schedule, it is recommended that future requests from non-profits for such funds not be considered since it has been the general practice that non-profits obtain such funds from other sources.

The following persons spoke in support of item (f): Al Bovice, HDNPC; Calvin Welch, California Community Housing Organizations (CCHO); and Brad Paul, Mayor's Office of Housing and Community Development.

Ms. Tsen noted her reluctance to pay administrative costs for this project because it will create a precedent and suggested an amendment that the \$75,000 be provided by the Agency but that the funds be monitored by the Mayor's Office of Housing.

Ms. Bolanos noted that, although she does not support Agency funds being used to pay administrative costs, this is a unique situation which justifies an exception being made, however, it should be made clear that other developers will not be provided with funds for that purpose. It would be unfair to the Developer to refuse the funding now considering the discussion at the October 29, 1991 meeting. She indicated that it is important to establish a policy for all housing projects and requested staff report in two weeks on how the matter can be coordinated with the Mayor's Office of Housing.

Brad Paul, Mayor's Office of Housing and Community Development, noted that this is a unique situation because the project is not eligible for CDBG funding. He indicated that he understands the concerns expressed, however, he believes that Agency staff and the Mayor's Office of Housing staff can resolve the monitoring issue.

Mr. Rumpf indicated that the Agency would not have a problem in administering the funds because staff has been working with the Developer through the process.

It was the consensus of the Commission that Agency staff work with the Mayor's Office of Housing and CCHO to establish a policy on administrative funding for non-profits and it should be made clear that this is a "last time" for the Agency to provide such funding.

Mr. Kitahata noted his concern regarding a precedent being set and suggested the matter be continued for two weeks to permit time for further discussions on a policy.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND CARRIED, WITH MR. KITAHATA OPPOSING, THAT RESOLUTION NO. 291-91 BE ADOPTED.

President Bagot indicated that item (i) would now be taken-up.

- (i) Mr. Helfeld introduced item (i), the purpose of which is for a presentation by the 24th Street Revitalization Committee.

Supervisor Gonzales; Roberto Barragan, Mission Economic Development Association (MEDA)/24th Street Revitalization Committee; and Manuel Rosales, California Hispanic Chamber of Commerce made presentations and recommended approval of the Committee's request for funding.

Supervisor Gonzales referred to the efforts the Agency has made in several commitments in economic development and funds expended for that purpose, which he believed is what San Francisco should be doing and noted that great opportunities for economic empowerment exist in the Mission.

Carlos Villalva and Anne Marie Cervantes, The Urban Design Advisory Group, made a design presentation.

The following persons spoke in support of item (i): Ron Gallegos, Mission Neighborhood Centers, Inc.; Cristina Salguera; Bob Davis; Mitchell Salazan, RAP Youth Program; Ricardo Lua, 24th Street Merchants Association; Joseph Sciancalepore, 24th Street Merchants Association; Myrna Melgar, St. Peter's Housing Committee; Pete Gallegos, MEDA; Rosa Rivera, President, 24th Street Merchants Association; and Robert Sanchez, 24th Street Merchants Association;

Ms. Bolanos indicated that she is very proud of what has been presented today. The proposal is for \$2.175 million, but the Agency's sources of funds are limited. Staff will evaluate the proposal and make a recommendation to the Commission.

Ms. Tsen noted she was very impressed with the presentation and supports the request. However, the Agency does not have the funds and it will be necessary for the Committee to go the Mayor and Board of Supervisors to request funding.

Mr. Kitahata indicated that as project areas mature and are beginning to end, this a new direction the Agency can take and get involved in.

The Commissioners commended Ms. Bolanos for her efforts in bringing about this proposal.

Ms. Bolanos requested staff report back to the Commission on the feasibility of the proposal in one month.

President Bagot announced that there would be a brief recess. The meeting recessed at 6:45 p.m. and reconvened at 6:55 p.m. with the same roll call.

- (g) Mr. Helfeld introduced item (g), which requests authorization of an Eleventh Amendment to the Disposition and Development

Agreement with Yerba Buena Gardens, L.P. for Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P. It is recommended this item be continued for two weeks.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 292-91 WOULD BE CONTINUED TO THE MEETING OF NOVEMBER 26, 1991 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Robert Gamble, Deputy Executive Director, Finance, introduced item (h), which requests approval to revise the Agency's Purchasing Policy Revision which changes expenditure authorization limits. Subsequent to the last revision of expenditure authorities in 1975, there have been considerable changes in the nature of the Agency's work, sources of funding and the cost of goods and services. The proposed policy revision encompasses competitive bidding practices required by statute, inclusion of the Agency's MBE/WBE Program previously approved by the Commission and the delegation of certain authority to purchase and enter into contracts formerly reserved by the Commission for key staff. In addition to eliminating time-consuming paperwork involved in non-controversial consent agenda items which will shorten the agendas, thereby easing the move to semi-monthly Commission meetings, it incorporates appropriate changes to assure Agency-wide consistency and standardization of practices.

Ms. Tsien noted her concern regarding small professional personal services contracts because there are a lot of opportunities for minorities in that area. She noted her preference would be a competitive bidding process for such contracts.

In response to an inquiry from Ms. Tsien, James Nybakken, Administrative Services Officer, indicated that the policy recognizes that the agreements be looked at periodically and suggests that they be reviewed every three years so a competitive bidding process enters into it. Also the MBE/WBE program elements approved by the Commission have been incorporated in the policy and competitive bids would be required.

The Commissioners requested staff report back in six months on professional personal services contracts relative to the extent they are advertised and the results of the bids.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ronald Bryant noted his concern that the Agency has not taken action against the discriminatory hiring practices of the Iron Workers Union and its contractors, that the investigation was biased and he felt his only recourse is to litigate the issues.

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's

Minutes of a Regular Meeting, November 12, 1991

Real Property Negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens in Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company; and

northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Renaissance Associates.

There are three additional Closed Session items which arose subsequent to posting of the agenda on Friday, November 8, 1991. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commissioner members is required to add these items.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 8, 1991.

Two items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

San Francisco Naval Shipyards with the United States Navy; and

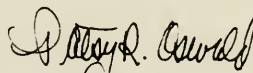
northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to call of the Chair. The meeting adjourned at 7:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

November 26, 1991

SF
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#4

11/26/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF NOVEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of November, 1991, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

V. Fei Tsen, Acting President
Sonia Bolanos
Leroy King
Haig G. Mardikian

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and the following were absent:

Buck Bagot, President (Arrived 4:30 p.m.)
Gary Kitahata (Arrived 4:45 p.m.)

The Acting President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director, and staff members were also present.

Also present were: Gary G. Williams, Metropolitan Fresh Start; Ray Jones, Urban Economic Development Corporation (UEDC); George Williams, City Planning Department; Randy Shaw, Arnie Lerner and Alexandra Keats, Tenderloin Housing Clinic; Jennifer Spengler, Art House; Jill Mantan, Visual Arts Committee of the Arts Commission; Robert La Rocca, Robert La Rocca & Associates and member of the Arts Commission; and Margie O'Driscoll, Mayor's Office.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of November 12, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) It is suggested that item 5 (a), authorization of a Third Amendatory Agreement to the Land Disposition Agreement with Fillmore Market Place Associates, and item 6 (1), approval of a Budget Amendment and Expenditure Approval for purchase of Rincon

Budget Amendment and Expenditure Approval for purchase of Rincon Point Park in Rincon Point-South Beach, be continued to the meeting of December 11, 1991. There is also an item under Matters Not Appearing on Agenda for use of 1956 Sutter Street for the sale of Christmas trees, which will need a motion to add to the agenda.

- (b) Gary Kitahata's confirmation for re-appointment to the Agency Commission is being sent to the Administrative and Oversight Committee. That Committee will consider this item on December 10 at 10:00 a.m. in Room 228 City Hall.
- (c) William Rumpf, Chief of Housing and Production Management, and Carol Anderson, Housing Development Specialist, are in Sacramento today as they were invited to participate in the "Senate Working Group on Housing Preservation", which is a group convened by Senator Leroy Greene to develop State legislation on preserving HUD at-risk housing. They were invited because of the Agency's work in developing a local implementation plan to preserve these units.
- (d) The Commissioners have been provided with the Weekly Economic Development Status Report. The first quarterly report will be prepared by Urban Economic Development Corporation (UEDC) and calendared for the December 11, 1991 Agency meeting. At the November 29, 1991 meeting, the Loan Committee tabled the loan request of Mr. & Mrs. James Brady (dba: Telcon Ltd. Communication) of \$35,000 to expand their existing business in the Fillmore Center and requested the Mayor's Office of Business and Economic Development (MOBED) evaluate the loan request so perhaps an alternative amount can be recommended at the next Loan Committee meeting.

Ray Jones, UEDC, noted that Mr. and Mrs. Brady have been in business for several years and the amount the Loan Committee may approve will be based on revised business projections.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization of a Third Amendatory Agreement which revises the Schedule of Performance and the additional terms, covenants and conditions to the Agreement for Disposition of Land for Private Development with Fillmore Marketplace Associates, L.P., for the purchase and development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets; Western Addition A-2. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 284-91 WOULD BE CONTINUED TO THE MEETING OF DECEMBER 11, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS- CONSENT AGENDA

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Second Amendment to the Agreement for Professional Services with Environmental Impact Planning Associates which increases the contract amount by \$25,000 in connection with the preparation of a Supplemental Environmental Impact Report; Rincon Point-South Beach.
- (b) Authorizing a Sixth Amendment to the Personal Services Contract HM/WC-1 with Harding Lawson Associates, which increases the contract amount by an amount not to exceed \$25,000 for hazardous materials and waste consultation services; All Approved Redevelopment Project Areas and other Designated Sites.
- (c) Authorizing entering into an Agreement with Metropolitan Ministries permitting the use of Agency-owned land located at the northeast corner of Divisadero and Ellis Streets for the sale of Christmas Trees; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 297-91, 298-91 AND 299-91, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Public Hearing to hear all persons interested in the sale of two condominium housing units at 35 and 45 Hollis Street; Western Addition A-2.

President Bagot opened the Public Hearing to hear all persons interested in this matter.

Mr. Suttle introduced item (d), which requests authorization to execute Deeds, Conveyance Instruments, and approval of the Disposition Price in connection with the sale of two condominium housing units at 35 and 45 Hollis Street under the Affordable Condominium Program in the Western Addition A-2.

- (e) Mr. Suttle introduced item (e), which requests approval and authorization of execution and filing, as appropriate, of enabling Declarations, Subdivision Maps, and Regulatory Agreements and authorization of payment of Homeowner Association Monthly Assessments in connection with 35 and 45 Hollis Street under the Affordable Condominium Program in the Western Addition A-2.

Two out of seven preliminarily qualified applicants were selected by means of a lottery, which placed the applicants in processing order for the purchase of these two Agency-owned condominiums at \$208,000 per unit. Provided the first two applicants, Ivy Bonita Steverson and Kay R. Jackson, are approved by the participating

lender conveyance would be expected to occur by mid-January 1992. However, should they decide not to proceed with the purchase or do not obtain loan approval, the other applicants would be processed in the order determined by the lottery. Although applications from households with incomes up to 120 percent of the median were accepted, the average household income of the seven applicants is approximately 100 percent of the median. As noted in an informational memorandum dated September 13, 1991, staff believes it is in the best interests of all concerned to form a separate Condominium Association for the units, rather than annexing them to the existing Association of six units.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 300-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 301-91 BE ADOPTED.

- (f) Thomas Conrad, Chief, Planning and Programming, introduced item (f), which requests authorization of a Letter Agreement with the Department of City Planning for an amount not to exceed \$38,000 to continue planning efforts in the Fisherman's Wharf Survey Area related to environmental review of certain Land Use Proposals and Amendments. Subsequent to designation of the Fisherman's Wharf Survey Area by the Board of Supervisors in December 1987, the Agency, in conjunction with several other government agencies and the Fisherman's Wharf Citizens Advisory Committee (CAC) coordinated a Development Program for the area. Although it was intended to undertake a number of public improvements, the proposed redevelopment effort was essentially put on hold when funding for these improvements was denied by the City in 1990. The CAC has requested that proposed Master Plan and Planning Code Amendments which were initially recommended during the planning efforts for the Survey Area be enacted by the Planning Commission. To accomplish this, the environmental review process initiated during the planning process must be completed and City Planning has requested that the funds remaining in the Fisherman's Wharf Planning Budget, which were proposed to be used for that purpose, be provided under a Letter Agreement. George Williams, City Planning Department, is here to respond to questions.

In response to an inquiry from Ms. Bolanos, Mr. Conrad indicated that the Agency does not have jurisdiction over the area and the City Planning Department is the most appropriate agency to complete the environmental review process which is expected to be accomplished by the summer of 1992. Action being requested today will not close the option for the Agency to participate in activities in the Fisherman's Wharf area in the future.

In response to an inquiry from Ms. Tsen, Mr. Conrad indicated that \$258,000 has been expended in consultants fees towards the Environmental Impact Report.

Ms. Bolanos requested the Commission be kept advised of developments and provided with a copy of the report.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-91 BE ADOPTED.

At this time, 4:30 p.m., Ms. Tsen turned the Chair over to President Bagot.

- (g) Michael Kaplan, Project Coordinator, Rincon Point-South Beach, introduced item (g), which requests approval of Mark Di Suvero as the Artist selected for the Gateway Art Project by the San Francisco Arts Commission and the South Beach Park as the location for the Artwork. Following a lengthy process, during which 22 artists' proposals were reviewed, the Arts Commission selected Mr. Di Suvero, an internationally renowned sculptor who formerly lived in San Francisco and now resides in Petaluma, California. The Gateway artwork and the proposed contract with Mr. Di Suvero will be paid for by an allocation of \$295,000 in Waterfront Transportation Projects funds which have been set aside for art enrichment along the Embarcadero Roadway currently under construction. The Arts Commission would administer the contract with the artist and be responsible for maintenance of the artwork. The Agency would implement lighting and site design details and it is proposed that in the near future the Agency and Arts Commission enter into an Agreement which defines areas of responsibility. The Agency is currently under contract with Robert La Rocca & Associates to prepare the design and construction documents for the initial phase of the South Beach Park. Mr. La Rocca, who is also a member of the Arts Commission, will work closely with the Artist and Agency staff on the design and siting of the artwork. Because of the location of the artwork in the proposed South Beach Park, for which area the Agency holds an Option to Lease Agreement with the Port, the City and Arts Commission require approval by the Agency and the Port of Mr. Di Suvero as the selected artist and the location of the artwork in the proposed South Beach Park.

Jill Mantan, Visual Arts Committee of the Arts Commission, described the artist selection process and gave a slide presentation on Mr. Di Suvero's work.

Ms. Tsen expressed appreciation to the Arts Commission for their efforts in undertaking the necessary artist selection process.

Mr. King left the meeting at this time, 4:45 p.m.

Mr. Kitahata arrived at the meeting at this time, 4:45 p.m.

In response to an inquiry from Ms. Tsen, Ms. Mantan indicated that, although there will be no formal review, the Arts

Commission will work with Agency staff and a model will be shown to the Agency Commission.

Ms. Tsen noted that she would like the sculpture to be specific to San Francisco and not generic in terms of what he actually produces given the special waterfront area and suggested perhaps a kinetic movement could be incorporated into the sculpture to make it more interesting.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-91 BE ADOPTED.

Mr. King returned to the meeting at this time, 4:58 p.m.

- (h) Michele Davis, Assistant Housing Development Specialist, introduced item (h), which requests authorization of an Amendment to the Agreement with Tenderloin Housing Clinic (THC) in an amount of \$35,000 for the rehabilitation of commercial ground floor space to create a lobby and two live/work units for artists in the Sunnyside Hotel located at 135 Sixth Street in the South of Market. In November 1990, a grant amount of \$120,000 was authorized for the rehabilitation of this residential hotel situated above ground floor commercial space and rehabilitation has now been completed. In May 1991, \$150,000 was authorized to benefit the hotel tenants and to provide live/work space for households at or below 60 percent of the area median for the next twenty years. The original estimate of \$150,000 was based on a set of preliminary design drawings prepared by Asian Neighborhood Design and a preliminary bid estimate provided by Transworld Construction. At a bidders conference on October 29, 1991, five bids were submitted, all of which exceeded the project budget due to additional items which were not included in the preliminary design phase. Although there is a difference of \$14,000 between the lowest and second lowest bidders, the Clinic proposes to contract with the second lowest bidder, Berkeley Builders, because previous work performed by the low bidder was not satisfactory. The construction contractor is prepared to start work by the end of November and complete the project in early March 1992, however, an additional \$35,000 is needed in order to proceed with the project.

Randy Shaw, THC; Arnie Lerner and Alexandra Keats, Project Architects, and Jennifer Spengler, Art House, made presentations.

Ms. Tsen noted her concern that the low bidder, a San Francisco-based minority firm, had not been selected and the reason why has not been substantiated and verified by facts. If the firm has not been advised why they were not selected, it should be discussed in private or if it is to be discussed in public, they should be made aware of it.

In response to an inquiry from Ms. Tsen, Mr. Shaw indicated that there is a document available on Berkeley Builder's affirmative action program which meets the Agency's requirements and indicates the majority of sub-contractors are minorities. He

noted the the low bidder had been employed on another Redevelopment Project, but the work performed was of poor quality. In addition, Mel Gage, an Agency employee who monitors work in Redevelopment Projects, expressed some concerns and there were doubts about the professionalism of the work performed. Berkeley Builders, an Oakland-based firm, is an experienced contractor with a good track record and there is a great difference in expertise between the two firms. It is also believed that there would be a significantly greater expenditure for the architect to administer the project if the low bidder were selected.

Ms. Tsen indicated that, although she supports the project, there is a policy issue involved and requested the item be continued for two weeks to further explore the reasons why the low bidder was not selected.

In response to an inquiry from Mr. King regarding payment of prevailing wages, Mr. Shaw indicated he assumed Berkeley Builders pay equitable wages.

President Bagot noted that payment of prevailing wages would not be a requirement because there are less than twelve units involved.

In response to an inquiry from President Bagot, Mr. Shaw indicated that if the item is continued for two weeks then there is a possibility the contractor will not start work until January.

In response to an inquiry from Mr. Kitahata, Ms. Davis indicated that this is a grant and described the structure of the agreement. She noted that, although the returns are not economic in terms of repayment, it is a long term investment in terms of revitalizing the Sixth Street corridor.

Mr. Kitahata requested that for future projects information be provided to the Commission specifying whether a grant or a loan is involved and clearly stating the repayment provisions.

Mr. Suttle indicated that Mr. Gage will provide an evaluation of the low bidder on the last Redevelopment Project job.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 304-91, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 11, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Suttle introduced item (i), which requests authorization of a Second Amendment to the Land Disposition Agreement (LDA) with Taldan Investment Company for the development of a parcel located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Subsequent to authorization of the LDA in December 1990 for the development of a supermarket at ground level with 148 residential units above, Webcor Builders has been selected as the general contractor for the project. However, difficulty has

been experienced in obtaining a construction loan from the lenders Taldan normally utilizes due to current market conditions for financing and an extension of the performance dates is being requested while the Developer actively pursues alternative financing sources. The revised performance schedule extends the dates for submission of evidence of financing from October 23, 1991 to April 8, 1992 and conveyance of the site from November 27, 1991 to May 5, 1992. In the event evidence of financing is not provided and the Agency exercises its rights to terminate the LDA, the Developer has agreed to assign and deliver to the Agency any and all construction documents as well as certain other specified documents such as reports, permits and leases. The Agency will have the prerogative to use the Construction Documents for any purpose whatsoever relating to the site at no cost to the Agency.

At this time 5:15 p.m. President Bagot turned the Chair over to Ms. Tsen.

Mr. Mardikian indicated that although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item.

ADOPTION: IT WAS MOVED BY MR. KING,, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MR. MARDIKIAN ABSTAINING, THAT RESOLUTION NO. 305-91 BE ADOPTED.

At this time, 5:17 p.m., Ms. Tsen turned the Chair back to President Bagot.

At the request of Ms. Bolanos, President Bagot indicated that item (j) would be taken up when Margie O'Driscoll of the Mayor's office, arrives at the meeting.

- (k) Robert Gamble, Deputy Executive Director, Finance, introduced item (k), which requests authorization of an extension of interim tax-exempt financing for the South Beach Marina Apartments in Rincon Point-South Beach. Subsequent to approval six months ago of a six month window of interim financing to permit the developer to work out the terms of permanent financing for the project, which had previously gone into default, the Agency received a letter from the Department of Housing and Urban Development (HUD) detailing the terms of a proposed permanent financing arrangement. Although one major administrative issue remains regarding reassignment of the mortgage, HUD has expressed a belief that this issue can be resolved administratively within the next six months. It is therefore proposed to issue long term refunding bonds in an amount of \$46,405 million for an additional six months to permit final agreement to be reached between the Developer and HUD on permanent financing arrangements. The owners previously agreed to extend the period of affordability for the unit's low and moderate income units from 21 and a half to 26 and a half years. Staff recommends that this extension

period be provided to avoid the project going into default and it being taken over by HUD which would have a number of negative consequences for the Agency's efforts in the South Beach area.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-91 BE ADOPTED.

- (1) Mr. Suttle introduced item (1), which requests approval of a Budget Amendment and Expenditure Approval for purchase of Rincon Point Park Site in Rincon Point-South Beach. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (1), RESOLUTION NO. 308-91, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 11, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Suttle introduced item (a), which requests authorization of an Agreement with Santa's Trees for the use of Agency-owned land for a period not to exceed 30 days for the sale of Christmas Trees at 1956 Sutter Street in the Western Addition A-2. Santa's Trees has operated a Christmas tree lot in the Fillmore area for the past seven years and they have to find a new location because the Parking Authority is building a new parking lot at their former location. The land being requested for this use is adjacent to a vacant parcel located at 1962 Sutter Street which the organization has rented from Joseph Skiffer. Santa's trees will provide all the required insurance and clean-up the parcel prior to vacating and pay the Agency a rental rate of \$300. In addition, they have offered to donate a large Christmas tree to several under-privileged organizations of the Agency's choice. This interim use is in conformity with adopted Agency policy and is supported by the Fillmore Merchants and Improvement Association and the Fillmore Street Merchants.

The need to take action on this item arose after posting of the agenda on Friday, November 22, 1991. Pursuant to Government Code Section 54956.2 (b)(2) of the Brown Act, a vote of five of the six Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, NOVEMBER 22, 1991.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot requested that staff respond to all communications addressed to the Commissioners, sign on their behalf, and provide a copy to the Commission.
- (b) President Bagot noted it is anticipated that Low Income Housing Tax Credits will be extended for six months.
- (j) Helen Sause, Project Director, Yerba Buena Center, introduced item (j), which requests authorization of a Personal Services Contract with Melanie Beene & Associates in an amount not to exceed \$40,000 to provide a Management Audit of the Center for the Arts at Yerba Buena Gardens in Yerba Buena Center. In response to concerns expressed by the Finance Committee of the Board of Supervisors and issues raised by the Commission regarding the Center for the Arts, a Committee chaired by Commissioner Bolanos, has developed a well-defined scope of work to be included in an operational audit which will analyze and evaluate various aspects of the Center's operations. The Cultural Sub-Committee identified two consultants who were requested to respond to a request for proposals. Beene & Associates' proposal was considered by the Committee to be the most responsive and recommend this firm prepare the management audit. Ms. Beene's experience as a consultant to non-profit organizations since 1979 and knowledge of the Bay Area arts community makes her well qualified to perform this audit. Melanie Beene & Associates is a woman-owned firm with no support staff other than one female business manager. Although it is not intended to hire any additional staff, the proposal includes hiring qualified MBE/WBE consultants to assist with execution of this contract. Commissioner Bolanos and Margie O'Driscoll of the Mayor's Office have been the leaders in this process.

Mr. Kitahata inquired if there will be a workshop on the Management Audit Study and Ms. Bolanos indicated it is planned to have one in the future on certain aspects of the study.

President Bagot noted the importance of community participation in the process and Ms. Bolanos indicated that the Center for the Arts is now involved in community outreach.

Ms. Tsen indicated that it is her understanding that the Center for the Arts intends to hold a public workshop to respond to questions asked during the budget process.

Ms. Bolanos indicated that the Commissioners have been provided with a copy of a letter to Supervisor Gonzales indicating that steps requested by the Finance Committee are being taken.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-91 BE ADOPTED.

Minutes of a Regular Meeting, November 26, 1991

President Bagot announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties VII; and

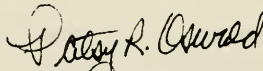
Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties; and

northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Renaissance Associates.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

January 7, 1992

SF
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#4
12/11/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF DECEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of December, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, President
Sonia Bolanos
Leroy King
Gary Kitahata
Haig G. Mardikian

DOCUMENTS SECT.

and the following was absent:

V. Fei Tsen, Vice President

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The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Randy Shaw, Tenderloin Housing Clinic; John Elberling and Jane Kunzler, Tenants and Owners Development Corporation (TODCO); Jeff Roth, Manuel de Vera, V. Ramal and Brian Healey, Natoma Neighborhood Association; Bill Benton, Rick Davis, John Dithman, Bill Sorro and Frank Pereira, Sixth Street Merchants and Residents Association; Ron Daran, Sixth Street Merchants Association; William Bowls, Baldwin House Hotel; Robert Farrell; Harold Pyle; Tom Swift, San Francisco Museum of Modern Art; Ted Maniatis; Millard Larkin and J. Thomas, Ella Hill Hutch Community Center.

APPROVAL OF MINUTES

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Special Meeting of August 26, 1991, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It is suggested that item 5 (a), which requests authorization of a Third Amendment to the Land Disposition Agreement with Fillmore Marketplace Associates, be continued.
- (b) Gary Kitahata's confirmation for re-appointment to the Agency Commission will be before the Administrative and Oversight

Minutes of a Regular Meeting, December 11, 1991

Committee on December 17 at 10:00 a.m. in Room 228 City Hall.
This was originally scheduled for December 10.

President Bagot requested a list of members of the Committee.

- (c) Loretta Whittle is celebrating the Grand Opening of Yogurt Expressions on December 14, 1991 at Bayview Plaza from 11:30 a.m. to 4:30 p.m.
- (d) There will be a joint meeting with the City Planning Commission on January 23, 1991 after 5:00 p.m. to consider the Yerba Buena Center Environmental Impact Report Supplement. A quorum of the Commission is required for this meeting.

All the Commissioners indicated they would attend the meeting except Ms. Bolanos.

- (e) The bid opening to construct the Esplanade will occur on December 17, 1991. This is the contract that will start work on the Martin Luther King, Jr. Memorial, other art works and two small cafes. Staff expects the award of the contract will be before the Commission in mid-January.
- (f) The Agency has received a dividend check in the amount of \$49,779 from the State Compensation Insurance Fund for the 1990 policy year. This dividend is the result of exceptionally good experience that the Agency had in 1990 with its Workers' Compensation premiums paid by the Agency during that year.
- (g) Agency staff and Commissioner Mardikian appeared at the Bay Conservation Development Commission (BCDC) meeting last week regarding the Cease and Desist Order that requires the Pier 42 Bulkhead Building to be removed from its present location. The Commission has given the Agency an extension of one year, as requested by the Agency, to comply with this order. The Agency will be required to set aside \$50,000 to be used for either demolition or moving before the extension period ends. The Agency will be required to report to BCDC quarterly on progress being made on removing the building. In addition, in six months the Agency will be required to initiate either demolition or moving permit efforts and, in the ninth month, will be required to enter into contracts to either demolish or relocate the building.
- (h) The Agency's Christmas party will be held on December 19, 3:30 p.m. to 6:30 p.m. at 770 Golden Gate Avenue.

REPORT OF THE PRESIDENT

- (a) President Bagot indicated that appointments of Redevelopment Agency Commissioners are approved by the full Board of Supervisors and do not serve at the pleasure of the Mayor. He noted the expiration dates of the Commissioners' terms.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Third Amendatory Agreement which revises the Schedule of Performance and the additional terms, covenants and conditions to the Agreement for Disposition of Land for Private Development with Fillmore Marketplace Associates, L.P., for the purchase and development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets; Western Addition A-2. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 284-91, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 17, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Amendment to the Agreement with Tenderloin Housing Clinic (THC) in an amount of \$35,000 for the rehabilitation of commercial ground floor space to create a lobby and two live/work units for artists in the Sunnyside Hotel located at 135 Sixth Street in the South of Market. In November 1990, a grant amount of \$120,000 was authorized for the rehabilitation of this residential hotel situated above ground floor commercial space and rehabilitation has now been completed. In May 1991, \$150,000 was authorized to provide two artist live/work units for households at or below 60 percent of the area median for the next twenty years and a lobby for hotel residents. The original estimate of \$150,000 has based on a set of preliminary design drawings and a preliminary bid estimate. However, at a bidders conference the five bids submitted exceeded the project budget due to additional items which were not included in the preliminary design phase. At the November 26, 1991 meeting, the Commission continued this item pending resolution of concerns relating to payment of prevailing wages, compliance with the Agency's affirmative action program, the mechanics of the Agency's contribution to the project and the contractor selection of the second lowest bidder at \$14,000 higher than the lowest bidder. Since this project involves rehabilitation of only two units, prevailing wage requirements and submission of a formal Affirmative Action Program do not apply. However, over 50 percent of the total contract will cover the cost of work performed by minority and women sub-contractors and workers. The Agency's \$150,000 and the additional \$35,000 being requested would essentially be a grant with restrictions, secured by the Developer's twenty year leasehold interest in the project and is subject to very low income artist occupancy requirements. Although the funds will not be repaid, the long term benefit will be a contribution to the revitalization of the Sixth Street corridor. The Developer proposes to proceed with the second lowest bidder because the lowest bidder proposed a time schedule that was two months longer than the other bidders, which would increase project management and architect's supervision costs. In addition, based upon previous experiences with the lowest bidder, the Developer asked for a full list of subcontractors to

perform the work and only one sub-contractor was named. Since the lowest bidder was used on a recent job and the work performed was not fully satisfactory, staff believes it is appropriate to accept the Developer's decision. The Agency currently allows negotiated bids and does not require developers to engage in a competitive bid process, however, staff will work with community developers to create standards and procedures for determining when future projects should be competitively bid.

Randy Shaw, Tenderloin Housing Clinic, indicated that concerns raised by Ms. Tsen have been addressed to her satisfaction.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-91 BE ADOPTED.

NEW BUSINESS

- (a) Jack Robertson, Housing Development Specialist, introduced item (a), which is a workshop to discuss residential land use alternatives for Agency-owned property located at the northwesterly corner of Sixth and Minna Streets in the South of Market which has been purchased for the development of affordable housing. Staff has held a number of meetings with neighborhood representatives and, although there is a consensus that the site be used for affordable housing, there is some disagreement within the South of Market community regarding the type of housing to be developed and the South of Market Problem Solving Council requested this workshop be held to allow all parties to present their views to the Commission. The two primary types of housing that have been considered include single room-occupancy (SRO) and family housing. Given the existence of several SRO's in the Sixth Street area, a new SRO would be consistent with the residential character of the neighborhood and a non-profit housing developer could be selected to develop and manage the property. However, a family project would be eligible for Rental Housing Construction Program financing and low income tax credits, making it financially feasible. The possibility of housing for the elderly has also been discussed because there are financing programs for this type of housing. Staff believes it is important to consider, not only the best type of housing for the location, but also what type of project would be financially feasible, given the priorities of State and Federal financing.

John Elberling, Tenants and Owners Development Corporation (TODCO), made a presentation of TODCO's proposal for the site which is the outcome of months of community discussion. The proposal calls for a combination of family and senior housing, SRO units, a secure children's playground and a 24-hour staffed laundromat. He noted that as a long term goal the adjacent Henry Hotel could be purchased and rehabilitated to become part of a master planned development.

The following persons spoke regarding item (a): Jeff Roth, Natoma Neighborhood Association; Bill Benton, Sixth Street Merchants and Residents Association; Rick Davis, Sixth Street Residents and

Merchants Association; Ron Daran, Sixth Street Merchants Association; William Bowls, Baldwin House Hotel; Robert Farrell; and Harold Pyle.

Testimony in favor of a family housing development included: given the number of SRO's already existing on Sixth Street, family housing would provide more balance to housing in the neighborhood; the high vacancies in the existing Sixth Street SRO's can be reduced, thereby meeting additional demand for SRO housing; and the density of a new SRO would be too high and create more congestion in the neighborhood.

Testimony in favor of an SRO development included: the run-down condition and lack of facilities at existing residential hotels on Sixth Street; no housing programs have focused on providing affordable housing to low-income single people; and that Sixth Street is not a suitable location for families with children due to the heavy automobile traffic and high crime incidence on this particular block on Sixth Street.

Ms. Bolanos left the meeting at this time, 4:55 p.m., during the testimony on item (a) and returned at 5:15 p.m.

President Bagot requested staff to investigate what pressure can be put on the owners of sub-standard residential units to improve living conditions. He noted that he is pleased with the efforts being undertaken to revitalize the South of Market area, however, future Agency assistance will depend on the new administration.

President Bagot indicated that item (i) would now be taken up.

- (i) Edmund Ong, Chief of Architecture, introduced item (i), which requests Conditional Approval of the Preliminary Construction Documents (PCD's) for the new San Francisco Museum of Modern Art on East Block 2 located on the east side of Third Street between Minna and Hunt Streets in Yerba Buena Center. Subsequent to authorization of a Disposition and Development Agreement (DDA), the Schematic Drawings were conditionally approved in April 1991. The proposed development, which will replace the replace the Developer's present facility in the War Memorial Veterans Building on Van Ness Avenue, will consist of a new museum building with a basement which will provide approximately 200,000 square feet of building area for displaying modern and contemporary art. It will include: a 300 seat auditorium; workshop/studio spaces; a cafe restaurant; a bookstore; and a library housing over 33,000 books. The major design refinements which have occurred since the schematic design phase is change in the slope of the major skylight element and elimination of a ring of trees around its perimeter, a reduction in the height of the third floor massing along Third Street and development of a patterning for the exterior masonry cladding. Staff believes these changes enhance the overall design concept and recommends approval of the PCD's subject to further discussions regarding the specific landscaping proposed for the areas along Third Street and adjacent employees' entrance on Minna Street and on

the exterior materials and colors of the building. Staff will continue to monitor the detail development of the building during the Final Construction Documents phase.

Tom Swift, San Francisco Museum of Modern Art, gave a status report on the project and described the revised design concept.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-91 BE ADOPTED.

Mr. Helfeld introduced items (b), (c), (d), (e) and (f), which relate to the submission of Quarterly Reports and request amendments to Personal Services Contracts with Agency Service Providers.

- (b) Authorization of a Fourth Amendment in an amount not to exceed \$133,000 for the period January 1, 1992 to June 30, 1992 to the Personal Services Contract with the Ella Hill Hutch Community Center (EHHCC) for Employment Services in the Western Addition A-1 and A-2.
- (c) Authorization of a Second Amendment in an amount not to exceed \$105,000 for the period January 1, 1992 to June 30, 1992 to the Personal Services Contract with Urban Economic Development Corporation (UEDC) for Technical Assistance Services in the Western Addition A-1 and A-2, India Basin and Hunters Point.
- (d) Authorization of a Second Amendment in an amount not to exceed \$116,667 for the period January 1, 1992 to July 31, 1992 to the Personal Services Contract with Young Community Developers, Inc. (YCD) to provide Employment Development Services in Bayview/Hunters Point and India Basin.
- (e) Authorization of a Second Amendment in an amount not to exceed \$128,333 for the period January 1, 1992 to July 31, 1992 to the Personal Services Contract with South of Market/Mission Hiring Hall, Inc. (SMEC) to provide Employment Development Services in the South of Market Area, Yerba Buena Center and other Redevelopment Project areas.
- (f) Authorization of a Fifth Amendment in an amount not to exceed \$87,500 for the period January 1, 1992 to July 31, 1992 to the Personal Services Contract with Mission Hiring Hall, Inc., (MEDA) for Technical Assistance Services in the South of Market Earthquake Recovery Redevelopment Project Area.

Amendments to these contracts were authorized in July 1991 for the first half of fiscal year 1991-1992 with the anticipation that beginning January 1992, the Mayor's Office of Housing and Community Development (MOHCD) would administer all CDBG funded programs in order to satisfy HUD reporting and funding requirements and to improve economic development coordination and monitoring City-wide. However, due to timing constraints, MOHCD has requested that this transition be deferred until the beginning of the next fiscal year and that the Agency continue to

administer the contracts for the balance of fiscal year 1991-1992. Following analysis, staff has determined that all service providers have performed satisfactorily in accordance with the goals and work plans approved by the Commission in July 1991. Funds are available in the 1991-1992 budget for Economic Development.

In response to an inquiry from Mr. Kitahata, Mr. Suttle indicated that the Agency will continue to fund the service providers but after fiscal year 1991-1992 MOHCD will administer the contracts.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 311-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 312-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 313-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 314-91, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 315-91, BE ADOPTED.

- (g) Helen Sause, Project Director, Yerba Buena Center, introduced item (g), which requests authorization of a Personal Services Contract with Ted P. Maniatis through 1994 in an annual amount not to exceed \$97,500, with an annual increase of three percent to five percent, to provide Construction Coordination Services in connection with the Center for the Arts at Yerba Buena Gardens in Yerba Buena Center. Supervision of the construction phase of the Cultural Center and Gardens will require direct supervision by an "Owner's representative" acting on behalf of the Agency to augment Agency staff by providing a person with extensive construction experience in the field. He will also coordinate construction activities with others already working on the project. Eleven candidates were identified through direct solicitation and by requesting recommendations from various appropriate sources and six were interviewed. Two minority persons indicated an interest, however, they did not have the required professional experience for the position. The Interview Panel determined that Mr. Maniatis was the most appropriate candidate because of his extensive experience in overseeing major complex construction projects.

Mr. King noted his concern that it is proposed to expend funds to oversee the project when Turner Construction is being paid to manage the project.

Ms. Sause indicated that Turner is acting as the Construction Management Contractor and the Agency needs a representative who can evaluate Turner's recommendations and avoid costly change orders and claims to the greatest extent possible.

Mr. Helfeld noted that Turner is also the Construction Management Contractor for the Moscone Convention Center expansion, however the Office of the Chief Administrator has two senior staff persons on-site to work with the construction manager. This would be a full time temporary position and it is not proposed that it be an Agency staff position.

In response to an inquiry from Mr. Kitahata, Mr. Ong indicated that it is difficult to predict the amount of change orders, however, it is advisable to carry 5 to 10 percent over the construction cost for this purpose.

Mr. King indicated that he was still not satisfied that this cost is justified because it is in addition to the Agency's contract with Turner Construction.

David Madway, Agency General Counsel, indicated that although it is hoped disputes will be minimal, the Agency needs its own competent staff person in connection with the negotiation and/or litigation of such disputes and this is a prudent step.

Ms. Sause introduced Mr. Maniatis.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (g), RESOLUTION NO. 316-91, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 17, 1991 AT THE REQUEST OF A COMMISSIONER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Edmund Ong, Chief of Architecture, introduced item (h), which requests authorization of a 5 percent reduction of the Payment Retention in the Agency's contract with The Palm Iron and Bridge Works for the fabrication and erection of steel for the Visual Arts Center and Yerba Buena Theater in Yerba Buena Center. Subsequent to authorization of the contract in May 1991 in an amount of \$2.893 million, Palm Iron has proceeded with work on the two cultural buildings and steel erection is scheduled to commence in late January, once the Moscone expansion roof is available. The contract permits the Agency to reduce the payment retention to 5 percent once 50 percent of the total contract amount has been paid which staff believes is appropriate at this time since the fabrication is well underway and construction is scheduled to begin next month. This is also part of a proposed agreement staff is negotiating with Palm Iron to resolve a number of issues prior to assignment of its contract to Sumitomo Construction America, the general contractor for the two cultural buildings.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) President Bagot noted his preference to hold Agency meetings bi-monthly and Mr. Helfeld indicated that a schedule would be prepared.
- (b) Ms. Bolanos indicated that Mission Economic Development Corporation has invited her to attend a meeting on December 16 which is one day prior to the December 17 Agency meeting at which the 24th Street Revitalization Committee's proposal will be discussed.
- (c) In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated that staff is preparing a briefing paper for the Mayor-elect regarding the Agency's accomplishments and goals and funding needs for the coming year. In addition, staff is working on a strategic plan.

In response to an inquiry from Ms. Bolanos, Mr. Robert Gamble, Deputy Executive Director, Finance, indicated that the same procedure for the budget will be followed as last year.

President Bagot announced that there would be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiations. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover Properties.

There are two additional Closed Session items which arose subsequent to posting of the agenda on Friday, December 6, 1991. Pursuant to Government Section Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, ANA UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON DECEMBER 6, 1991.

The first item is pursuant to Government Code Section 54956.9(b) regarding Threatened Litigation.

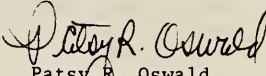
Minutes of a Regular Meeting, December 11, 1991

There will also be a Closed Session pursuant to Government Code Section 54957 on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. King, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations, a Closed Session on Threatened Litigation and a Closed Session on Personnel. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 7, 1992

SF
R35
#4
2/17/91

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF DECEMBER, 1991

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of December, 1991, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Buck Bagot, President
- V. Fei Tsen, Vice President
- Sonia Bolanos
- Leroy King
- Gary Kitahata
- Haig G. Mardikian

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ted Maniatis; John Friedman; Sidney Chan and Arnold Chin, Chinatown Task Force; Jai Johnson, Minority Television Project (MPT); Ace Washington, WAPAC; Michael Hall, representing Ron McCraig; Jeff Mori, Japanese Community Youth Council; Jerair Panosian, Shell Station Operator at 2295 Bush Street; Karen Kitowski; Mildred Burrell; David Cincotta, FTP Corporation; Roberto Barragan, Mission Economic Development Corporation (MEDA); Rosa Rivera, 24th Street Merchants Association; Jeff Roth, Natoma Neighborhood Association; John Elberling, Tenants and Owners Development Corporation ((TODCO); Maria Acost-Colan, Executive Director of the Mexican Museum; Ted Steefel, Steefel, Levitt & Weiss; Chuck Collins, Fillmore Renaissance Associates; Essie Collins; Richard Brown, Ella Hill Hutch Community Center; Morris Philips and Arnold Townsend, Fillmore Market Place Associates; Joseph Leung and Teresa Lam, Sing Tao Daily; Enid NG Lim, Chinatown CAC; Alan Wong, Asian, Inc.; and Michael Mahoney, San Francisco Police Department.

Representing the press were: Gerald Adams, San Francisco Examiner, Ingfei Chen, San Francisco Chronicle; and David Ish, New Fillmore Newspaper.

ELECTION OF OFFICERS

President Bagot indicated that the Election of Officers will take place at the January 7, 1992 meeting.

REPORT OF THE PRESIDENT

President Bagot requested a list of the new Administration's Transition Team which Mr. Helfeld indicated would be provided to the Commission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) It suggested that the following items on the agenda be continued: item (b), amending the terms of a Predevelopment Loan in the amount of \$103,000 to Mission Housing Development Corporation for 480 Valencia Street; item (j), authorization of an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P. for Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center; and item (l), a Resolution of Intention of the Redevelopment Agency to establish a Community Facilities District and to authorize the levy of a special tax pursuant to the Mello-Roos Community Facilities Act of 1982. Under Matters not appearing on Agenda, it is necessary to add an item which requests authorization of an Amendment to Resolution 240-91 which authorized the issuance of not to exceed \$30 million of 1991 General Obligation Notes. This item will require a vote by the Commission members to add it to the agenda. Because there is a need for a Closed Session relative to item 5 (a), Unfinished Business, authorization of a Third Amendment to the Land Disposition with Fillmore Market Place Associates, it is suggested this matter be taken-up as the last item on the agenda.
- (b) Gary Kitahata's confirmation for re-appointment to the Agency Commission was approved by the Administrative and Oversight Committee on December 17, 1991 and will go before the full Board of Supervisors on January 6, 1992.
- (c) The Agency's Christmas Party will be held on December 19, 3:30 p.m. to 6:30 p.m., at 770 Golden Gate Avenue.
- (d) There will not be an Agency meeting on December 23 and 30, 1992. The next regular meeting will be held on January 7, 1992. The Commissioners have been provided with a six months schedule of Agency meetings, which are shown as twice a month.

Mr. King noted that the Commissioners will only receive \$50 a month if there are only two meetings and Mr. Helfeld indicated he would check the Agency's By-laws regarding remuneration for the Commissioners.

- (e) A number of community persons are expected for a report on the 24th Street Revitalization Committee proposal. Since they have not arrived yet, it is suggested this matter be taken-up later in the meeting.

- (f) Gene Suttle, Senior Deputy Executive Director, gave a status report on various loans being considered by Urban Economic Development Corporation (UEDC) in the Fillmore Center and Bayview Plaza.
- (g) All four bids received for the Yerba Buena Gardens Esplanade Contract were below budget.

UNFINISHED BUSINESS

President Bagot indicated that item 5 (a), a Third Amendment to the Land Disposition Agreement with Fillmore Market Place Associates, would be taken up as the last item on the agenda.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Personal Services Contract with Ted P. Maniatis through 1994 in an annual amount not to exceed \$97,500, with an annual increase of three percent to five percent, to provide Construction Coordination Services in connection with the Center for the Arts at Yerba Buena Gardens in Yerba Buena Center. Supervision of the construction phase of the Cultural Center and Gardens will require direct supervision by an "Owner's representative" acting on behalf of the Agency to augment Agency staff by providing a person with extensive construction experience in the field. He will also coordinate construction activities with others already working on the project. Eleven candidates were identified through direct solicitation and by requesting recommendations from various appropriate sources and six were interviewed. Two minority persons indicated an interest, however, they did not have the required professional experience for the position. The Interview Panel determined that Mr. Maniatis was the most appropriate candidate because of his extensive experience in overseeing major complex construction projects.

Helen Sause, Project Director, Yerba Buena Center, introduced Mr. Maniatis who indicated he is looking forward to working for the Agency on the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-91 BE ADOPTED.

NEW BUSINESS- CONSENT AGENDA

President Bagot indicated that Consent Agenda item (b) would be removed from the Consent Agenda and considered as a Regular Agenda item at staff request.

ALL ITEMS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE AGENCY, AND WERE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION.

- (a) Authorizing a Second Amendment to the Personal Services Contract with John C. Friedman for Community Services Consulting which increases the contract amount by \$4,000 through June 30, 1992.

- (c) Authorizing an Amendment to the Agency's Dental Care Service Contract with Delta Dental Plan of California.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (c), RESOLUTION NUMBERS 319-91 AND 321-91 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Mr. Helfeld introduced item (b), which requests an amendment to the terms of a Predevelopment Loan in the amount of \$103,000 to Mission Housing Development Corporation for housing at 480 Valencia Street as part of the City-wide Tax Increment Housing Program. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 320-91, WOULD BE CONTINUED TO THE MEETING OF JANUARY 7, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Philip Williams, Housing Development Specialist, introduced item (d), which is a workshop is jointly sponsored by the Agency and the Chinatown Economic Development Task Force to review a draft Final Plan for the Chinatown Economic Development Program and solicit comments from the general public and the Commission prior to the January 7, 1992 Agency meeting when the Task Force will be seeking approval of the Final Plan. The Task Force was created by the Mayor's Office in June 1991 to develop a plan and determine which programs should be implemented to assist in revitalizing Chinatown's economy with \$2 million in Agency funds earmarked for the area. A public hearing was held on August 11, 1991 in Chinatown to solicit comments from the public regarding the Preliminary Plan which summarized all the possible programs that could be implemented with the \$2 million. Given the limited amount of funding, the Task Force selected one to three programs in each program area that it was felt should be given priority. The program areas are: access improvements, aesthetic improvement; marketing; finance and long-range planning. The draft Final Plan summarizes the priority programs and recommends an allocation of funds needed to implement each program. It contains recommended implementation procedures which are intended to retain control of the \$2 million within the community, while ensuring a sufficient level of review and involvement by the City.

Mr. Williams introduced the members of the Task Force and staff from the Mayor's Office who were instrumental in preparation of the Final Plan.

Ms. Tsen noted that this is the first time in twenty years that the Agency has provided funds for Chinatown which was in specific response to the needs of Chinatown resulting from the 1989 earthquake. The Task Force, which is representative of a broad spectrum of Chinatown, has worked diligently and it is good to see the whole community working towards a common goal.

Sidney Chan, Chairman of the Task Force, indicated he echoed Ms. Tsen's comments and Agency staff and the Task Force worked hard to put the Final Plan together.

Arnold Chin, a Task Force member, responded to questions from Mr. Kitahata regarding the differences between the existing program and the new program.

Mr. Kitahata expressed appreciation to the Task Force and Staff for the excellent and comprehensive Final Plan.

President Bagot noted that this is an excellent process which provides short term measures to mitigate the effect of the earthquake as well as a long term program to revitalize Chinatown. He nominated that Ms. Tsen to represent the Commission at Task Force meetings.

- (e) Jai Johnson, Station Manager, Minority Television Project (MTP), gave a status report on the station's activities. She noted that the station has secured temporary office space at 1245 Van Ness Avenue in the Western Addition and that the Commissioner have been provided with a report regarding responses to grant requests.

In response to an inquiry from President Bagot, Ms. Johnson indicated that expansion of the Board of Directors is in process and further information will be provided to the Commission.

President Bagot requested that a summary of MTP's budget be submitted next time a report is made.

Ace Washington, WAPAC, noted his support of the project.

- (f) Richard Kono, Chief, Development and Real Estate, introduced item (f), which requests authorization of a Second Amendatory Agreement to the Addendum contemplating a negotiated Disposition of Land for Private Development, and a Termination and Assignment Agreement in connection with that Amendatory Agreement, with Nihonmachi Community Development Corporation (NCDC) and Nihonmachi Parking Corporation (NPC), both relating to the development of a parcel by Nihonmachi Parking Corporation located within the block bounded by Buchanan Mall and Sutter, Laguna and Post Streets in the Western Addition A-2. Subsequent to authorization of the Addendum, an amendment was approved extending the performance schedule which the Developer failed to meet, giving the Agency an option to terminate the Addendum. At the October 29, 1991 meeting, the Commission accepted staff's recommendation that the Developer be granted an additional sixty days to begin construction of the parking lot, subject to execution of an agreement by the Developer to assign all its rights in the plans and specifications and the building permit to any successor selected by the Agency in the event the performance schedule was not met. This agreement has now been executed and the proposed amendment permits the Developer a sixty day period, which began on October 30, 1991, to finalize financing

arrangements and an additional sixty days to commence construction. It also sets forth the terms upon which termination would occur, incorporates the Agency's new Affirmative Action Program and adds language requiring the parking lot be used only for transient parking available to the public. The revised performance schedule calls for submission of evidence of financing by December 28, 1991, conveyance of the site by January 28, 1992 and commencement of construction by February 26, 1992. In the event the Addendum is terminated, staff recommends that the joint venture comprised of the Japanese Community and Cultural Center of Northern California and the Japanese Community Youth Council be considered for exclusive negotiations.

The following persons spoke regarding item (f): Michael Hall, representing Ron McCraig, a Sutter Street resident; and Jeff Mori, Japanese Community Youth Council.

Mr. Hall noted his concern regarding: crime and security; there is not a need for more parking in the area; there has not been sufficient community input; traffic problems; and requested consideration be given to other potential uses that would benefit the community.

Mr. Mori noted his support of the Nihonmachi proposal, but indicated that the joint venture comprised of the Japanese Community and Cultural Center of Northern California and the Japanese Community Youth Council would be interested in entering into exclusive negotiations if the project does not go forward.

Mr. Kono indicated that a number of public hearings have been held on this matter and there has been an extensive investigation of other uses for the site. In addition, it is believed that with lighting in the parking lot, security will be increased.

In response to an inquiry from President Bagot, Mr. Kono indicated that the toxic report has been dealt with by the Bank who is financing the project.

Mr. Kitahata noted his support of the parking lot because will provide greater public use on the site and lighting will provide added security. If this proposal does not work out then there are non-profits to consider other uses, but historically this site has been slated for improvement as a parking lot.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-91 BE ADOPTED.

- (g) Michele Davis, Assistant Housing Development Specialist, introduced item (g), which requests authorization of an Owner Participation Agreement (OPA) with F.T.P. Investment Corporation of San Francisco for the development of 35 condominium units, parking and 6,000 square feet of ground floor commercial space at 2295 Bush Street located at the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The site is

presently being leased to Shell Oil Company who maintains a sublease with an operator who provides a full service gas station and automated car wash. However, negotiations are currently in process to terminate the lease with Shell which runs through April 1994. Meetings have been held by the Western Addition Neighborhood Association (WANA) to review the project and discussions centered around the desire to retain the service station in light of the closure of numerous stations in San Francisco. At a meeting held in January 1991, nineteen people voted to retain the service station and two voted for the proposed condominium project. In April 1991, consideration was given to a request of an OPA Application which included a more protracted performance schedule than the Agency normally approves. Since approval of an extended performance schedule is a significant discretionary decision, the project would have been subject to the Agency's Housing Participation Policy and the application was withdrawn at that time. The owner of the site has entered into a purchase agreement with the Developer and if the OPA is approved construction would begin by August 1, 1993 with completion within 24 months but no later than April 30, 1995. The revised performance schedule submitted is consistent with the Agency's regular practice, however, there is some doubt whether it can be met. In the event an extension is requested, the Agency would have the opportunity consider whether an application of the Housing Participation Policy is appropriate. In response to issues raised by staff, the Developer's architect has modified the unit plans which are now basically acceptable. In addition, the Developer has agreed to a satisfactory Affirmative Action Program.

The following persons spoke regarding item (g): Jerair Panosian, Shell Service Station Operator; Karen Kitowski; Mildred Burrell; David Ish, New Fillmore Newspaper; and David Cincotta, FTP Corporation.

Mr. Panosian noted that he has operated this service station for three years and it has served the neighborhood for 33 years. He indicated that, although the Shell lease does not expire until 1994, the performance schedule indicates the project will start in 1993.

Ms. Kitowski noted her support for the condominium project.

Ms. Burrell spoke in support of keeping the service station open.

Mr. Ish spoke in support of keeping the service station open and noted his concern at the short notice of this item being on the agenda which precluded the attendance of Supervisor Hallinan at the meeting.

Mr. Cincotta noted that staff memorandum incorrectly states that the proposed development consists of 36 units, which should be 35, and noted they would not be before the Commission if the Developer could not proceed with the development.

In response to an inquiry from Mr. Mardikian, David Madway, Agency General Counsel indicated that the Western Addition Redevelopment Plan permits housing on the site and if the project is in conformity with Agency requirements, there is no reason for the Commission to decline the OPA. Also, the site is exempt from the City Ordinance which bans the conversion of any service station to another use unless the owner can show that the business has been losing money. This is a business negotiation between three parties and if they cannot reach agreement so construction can start in eighteen months, the Developer will have to ask for an extension which will allow the Commission a certain amount of leverage with regard to the Agency's Inclusionary Housing Policy.

Mr. Kitahata indicated that, although he is sympathetic to the service station aspect, if the development does not proceed within the time stated then the inclusionary zoning issue can be considered.

Following an extensive discussion between the Commissioners and Staff, the following motion was made:

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, WITH PRESIDENT BAGOT VOTING "AYE" AND MS. BOLANOS, MR. KING AND MR. MARDIKIAN VOTING "NAY", THAT RESOLUTION NO. 323-91 BE ADOPTED.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (h) Mr. Helfeld indicated that before staff can make a recommendation on the 24th Street Revitalization Committee's proposal, the matter needs to be reviewed with the Mayor-elect because this is a new Agency undertaking that will need ongoing funding. It is hoped to have a recommendation at the January 7, 1992 meeting, subject to discussions with the new administration taking place prior to that meeting.

The following persons spoke in support of item (h): Roberto Barragan; Mission Economic Development Corporation (MEDA); and Rosa Rivera, President, 24th Street Merchants Association.

Ms. Bolanos noted the importance of keeping the cultural identity of the neighborhood and that the community is will feel let down if a commitment is not made. However, there are budgetary restraints because this is not a redevelopment project area and it is not known what the new administration will do.

Ms. Tsen noted her support of revitalization efforts on 24th Street, however, funding not only has to be considered by the Agency Commission, but by the Mayor and Board of Supervisors so there is a need to lobby for this proposal.

Mr. Kitahata indicated that, although it is a good idea for the Agency to go into a new area, a way of paying for it has to be found.

Mr. Helfeld indicated that this will be on the issues list requested by the Mayor and if the item is not scheduled for the January 7, 1992 meeting then interested parties will be notified.

- (h) William Rumpf, Chief, Housing and Production Management, introduced item (h), which requests authorization to issue a Request for Qualifications (RFQ) from non-profit housing developers for the development of a Single Room-Occupancy (SRO) Project for low-income persons on Agency-owned property located at the northwesterly corner of Sixth and Minna Streets in the South of Market. A workshop was held on December 11, 1991 at the request of the South of Market Problem Solving Council to discuss residential development alternatives for the site because there had been some disagreement within the South of Market community regarding the type of housing to be developed. The two primary types of housing considered were SRO's and family housing. Senior housing was also considered, however, because of the small senior population in the area and their vulnerability to safety problems, staff does not believe such housing would be appropriate. Testimony in favor on SRO's included: the run-down condition and lack of facilities at existing residential hotels on Sixth Street; no housing programs have focused on providing affordable housing to low-income single people; and that Sixth Street is not a suitable location for families with children due to the heavy automobile traffic and high crime incidence on this particular block on Sixth Street. Testimony in favor of family housing included: given the number of SRO's already existing on Sixth Street, family housing would provide more balance to housing in the neighborhood; the high vacancies in the SRO's on Sixth Street can be reduced, thereby meeting the demand for SRO housing; and the density of an SRO would be too high and create more congestion in the neighborhood. An alternative with regard to concerns raised by proponents of both SRO's and family housing was a mix of studios and one-bedroom apartments, but given the current priorities of Government funding, such a project would not be competitive for financing. Staff analysis indicates that the site could accommodate approximately 140 SRO units, however, staff recommends consideration be given to proposals that include a unit mix if the predominant unit type is SRO. The RFQ would request that interested developers submit information describing their experience in developing affordable housing. It is anticipated that the RFQ would be issued by the first week of January 1992 with developer selection to be concluded one month thereafter to permit time to apply for State Rental Housing Program funds and tax credits by mid-February.

The following persons spoke regarding item (h): Jeff Roth, Natoma Neighborhood Association; and John Elberling, Tenants and Owners Development Corporation (TODCO).

Mr. Roth indicated that persons from the Natoma Neighborhood Association were at the December 11, 1991 meeting but did not speak to avoid repetition. He requested justification of staff recommendation for an SRO and requested that the matter be continued if the RFQ does not call for family housing.

Mr. Kitahata indicated he believes the South of Market Problem Solving Council gave an accurate consensus and he would like to see a stronger mix of family and SRO units. He noted that there is a need to expedite this matter and requested information on the technical and financial feasibility of doing a mixed project. He indicated he would like the RFQ to invite mixed projects.

Ms. Tsen noted that there is a need to meet deadlines for RCHP and tax credits. It is very difficult to mix an SRO project with family housing because of different needs involved which would make it very difficult for the owner to manage, so it needs to be either one or the other.

President Bagot noted that community input is important, however, since it is difficult to do a mix of SRO and family housing, he supports staff recommendation of an SRO.

Mr. Helfeld noted that since the next Agency meeting will not be until January, 7, 1992, there is a need to move expeditiously on issuing an RFQ. Staff does not believe this site is suitable for family housing. Also, the testimony at the December 11, 1991 meeting indicated that SRO's with amenities are needed and that the existing SRO's need to be refurbished.

Mr. Rumpf noted that the goals in the South of Market are to replace units lost in the October 1989 earthquake and create family housing. Based upon comments at the December 11 meeting, it appears SRO's with amenities are needed and that the existing SRO's need to be improved. To date, the Agency has acquired four sites in the area, two for family housing and two for SRO's.

Mr. Elberling responded to questions from Mr. Mardikian regarding TODCO's proposal for the site.

Mr. Mardikian indicated that he supports staff recommendation, that SRO's are vastly improving the area and Sixth Street is not appropriate for family housing.

Mr. Rumpf indicated that RFQ can encourage both family housing and SRO projects as well as a mixed development. The resolution does not specify an SRO project and leaves the process open to all proposals.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-91 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests Conditional authorization of Exclusive Negotiations, until June 17, 1992,

with the Mexican Museum for the purchase and development of a portion of the site located at the northerly side of Mission Street between Third and Fourth Streets in Yerba Buena Center. The site is a portion of the Central Block 1 (CB-1) Sports Parcel which is presently under the Disposition and Development Agreement (DDA), as amended, with Yerba Buena Gardens, L.P. and approval of the Exclusive Negotiations is conditioned upon a written agreement between the Agency and Yerba Buena Gardens, L.P. providing for the relinquishment of its rights to the Sports Club Parcel. On November 12, 1991, the Agency and Museum entered into a Memorandum of Understanding related to the possible development of a new first class museum facility which would house and display the art and culture of Mexico and complement other cultural facilities in the Yerba Buena Center area.

Maria Acosta-Colon, Executive Director of the Mexican Museum indicated that the Museum Board is anxious to start working with staff.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-91 BE ADOPTED

- (j) Mr. Helfeld introduced item (j), which requests authorization of an Eleventh Amendment to the Disposition and Development Agreement with Yerba Buena Gardens, L.P. for Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), RESOLUTION NO. 326-91 WOULD BE CONTINUED TO THE MEETING OF JANUARY 7, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (k) Helen Sause, Project Director, Yerba Buena Center, introduced item (k), which requests authorization of a Fourth Amendment to the Land Disposition Agreement (LDA) with Griffin/Related Properties-VII regarding a revision to the Schedule of Performance and other provisions of that Agreement for the development of East Block 1 located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The LDA authorized in May 1990 proposed the development of an office building with ground floor retail as well as renovation of the Jessie Hotel on the site for occupancy by the California Historical Society, has been amended on three occasions. Certain LDA requirements have been met, including the submission of Preliminary Construction Documents which were conditionally approved in March 1991. However, difficulty is being experienced because of the recession and current market conditions for financing and the Developer has advised that the scheduled performance dates cannot be met with respect to: submission of final construction documents; submission of evidence of financing and items referred to in Section 207 (a) of the LDA; conveyance of the site; and commencement and completion of construction and has requested an extension of these performance dates. In consideration of the extension, the Developer has agreed to the

revision of certain LDA provisions which include the Agency's retention of the Developer's \$2.6 million housing contribution and an increase in the Agency's participation in the proposed development. The revised performance schedule calls for: submission of final construction documents by March 1, 1993; submission of evidence of financing by May 31, 1993; conveyance of the site by June 30, 1993; commencement of construction by July 1, 1994 with completion by July 1, 1996.

Mr. Helfeld indicated that if there were other potential developers for the site then staff would not be recommending this extension be granted.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHTA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-91 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which requests authorization of a Resolution of Intention of the Redevelopment Agency of the City and County of San Francisco to establish a Community Facilities District and to authorize the levy of a special tax pursuant to the Mello-Roos Community Facilities Act of 1982 in connection with Yerba Buena Center. It is recommended this item be continued.

RULE OF THE CHAIR: PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (1), RESOLUTION NO. 328-91 WOULD BE CONTINUED TO THE MEETING OF JANUARY 7, 1992 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (m) David Madway, Agency General Counsel, introduced item (m), which requests authorization of a First Amendment to the Legal Services Agreement with Steefel Levitt & Weiss in connection with All Redevelopment Project Areas. This law firm has provided outstanding services to the Agency in negotiating amendments to the Disposition and Development Agreement (DDA) with Yerba Buena Gardens, L.P., the Developer of Central Block 1 and East Block 2 in Yerba Buena Center, and in reviewing financial proposals from the Developer. In addition, they have represented the Agency in negotiations and preparation of complex documents in connection with the Marriott Hotel. The original \$280,000 budgeted for this contract was intended to cover work through the Eighth Amendment only. However, all necessary work has also been completed on the Ninth Amendment, the Tenth Amendment negotiations are nearly completed and negotiations on the Eleventh Amendment are well advanced. The proposed amendment increase the amount payable by \$350,000 for total contract amount of \$530,000. The Commissioners have been provided with details of the firm's affirmative program, which staff finds acceptable.

Mr. King noted that the firm's affirmative action program is highly satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 329-91 BE ADOPTED.

President Bagot indicated that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwest corner of Webster and Eddy Streets in the Western Addition A-2 and the entity the Agency may negotiate with is Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 7:00 p.m.

RECONVENED

At this time, 7:17 p.m., the meeting reconvened back to the Regular Session with the same roll call except for Commissioners Bolanos and Tsen.

MATTERS NOT APPEARING ON AGENDA

- (a) David Madway, Agency General Counsel, introduced item (a), which requests authorization to extend certain time deadlines in connection with Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.

Mr. Madway indicated that this is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to take action on this off-agenda item arose after posting of the agenda on Friday, December 13, 1991.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS ITEM AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, DECEMBER 13, 1991.

Mr. Madway noted that it is proposed to extend the conveyance date for the Central Block 1 Office Parcel from December 18, 1991 to January 15, 1992 to permit time for the Developer to make certain financing arrangements.

Ms. Bolanos re-joined the meeting at this time, 7:22 p.m.

Mr. Helfeld indicated that staff has been working with the Developer to put together a tax exempt financing mechanism and additional time is needed to accomplish this.

In response to inquiry from John Elberling, TODCO, regarding extending the period for the Yerba Buena Center EIR, Mr. Madway indicated that this is a separate matter from the extension being requested.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT THE CONVEYANCE DATE FOR THE CENTRAL BLOCK 1 OFFICE PARCEL BE EXTENDED FROM DECEMBER 18, 1991 TO JANUARY 15, 1992.

UNFINISHED BUSINESS (Continued)

- (a) Philip Williams, Housing Development Specialist, introduced item (a), which requests authorization of a Third Amendatory Agreement, which revises the schedule of performance and the Additional Terms, Covenants and Conditions to the Land Disposition Agreement (LDA) with Fillmore Marketplace Associates, L.P. for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The initial proposal called for the development of for-sale residential condominiums, however, because of current market conditions for financing, it is now proposed to construct 120 rental units affordable to households at 60 percent of the area median for a term of 50 years. Other amenities include one parking space for each unit, a rental office, a community room, a landscaped private internal courtyard and a child care facility. Staff is proposing that the Developer pay the Agency a 5 percent down payment, or \$91,200, upon conveyance of the site with a second \$91,200 payment on the date the Developer receives a Rental Housing Construction Program (RCHP) funding commitment or on May 1, 1992, whichever occurs first. The down payment would not be refundable if the second 5 percent land payment is not made. The remaining balance of the purchase price of \$1,641,600 would be due in full with accrued interest upon the date of construction loan closing or failure by the Developer to meet any conditions of the Tax Credit Allocation Committee or by July 1, 1992, whichever occurs first. However, the Developer is requesting that the 5 percent downpayment be reduced by \$25,000. This \$25,000 payment was made last January when the LDA was approved and was an initial performance deposit. If the Commission approves this request, the remaining amount due at close of escrow would be \$66,200. Additional provisions have been included in the Third Amendatory Agreement specifying that the Agency will be responsible for property management and relocation assistance prior to commencement of construction. The Developer will assume responsibility for demolition of an existing building, with the Agency reimbursing the Developer for all reasonable demolition costs incurred. At a workshop held on October 29, 1991 to review the design, housing affordability and proposed early conveyance of the land, the design presented was not acceptable to the Commission. The Developer has hired another architect to provide design consulting services for the project and revised Basic Concept Drawings and a model which will be formally submitted to the Commission following review by staff who have a number of design concerns. Because of a potential

dispute over unpaid fees with original architect, staff is recommending that prior to conveyance the Developer provide acceptable security for resolution of the dispute. Although conveyance of the site does not normally occur prior to LDA performance schedule dates being met, to assure receipt of a preliminary reservation in Federal Low Income Tax Credits of \$2,168,691 annually for ten years, the Developer must assume legal title of the property and expend 10 percent of the budget by the end of 1991. A revised performance schedule has now been received and a revised financial feasibility analysis will be submitted at the time of the RCHP application.

The following persons spoke regarding item (a): Chuck Collins, Fillmore Renaissance Associates; Essie Collins; Richard Brown, Ella Hill Hutch Community Center; Morris Phillips and Arnold Townsend, Fillmore Market Place Associates.

Mr. Collins noted his concern that an acceptable design has not been submitted and requested the project be subject to strict design control. The design should not be compromised because it is a low income project.

Ms. Collins indicated her support of the project but noted her concern that other developers had been told no more low income housing would be built in the Western Addition, however, this project is being allowed. She requested a status report on Parcel 1100-T in the Western Addition.

Mr. Brown noted his support of this low income project.

Mr. Helfeld indicated that this project will receive the same scrutiny with regard to design as other projects and when there is an acceptable design it will be brought before the Commission and the public. When the initial award was made to the two developers, both projects were to be affordable homeownership projects which was the preference of the community, however, both proposals have changed drastically because of the market. This has resulted in one project that is homeownership, half of which is affordable, and a low income rental project which is 100 percent affordable.

Mr. Suttle indicated the rights to Parcel 1100-T have expired, however, the development team is making efforts to consolidate their resources and bring in a new equity partner.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH COMMISSIONERS BAGOT AND KITAHATA OPPOSING, THAT THE DEVELOPER BE GRANTED A \$25,000 REDUCTION IN THE \$91,200 DOWN PAYMENT FOR THE LAND.

Mr. King indicated that this has to be a first class project with a good design. It must be completed because it is very important to the community and \$25,000 is not going to make a lot of difference. Also, everything will be done to see that the low

income housing that was destroyed in the Western Addition and Hunters Point is replaced.

President Bagot indicated that he does not see any way that the low income housing lost can be replaced or all the people taken care of that were displaced from the Western Addition and Hunters Point. This is a for-profit developer who wants to have all the advantages of a non-profit.

Mr. Mardikian noted that even when this was one parcel it was going to be a tough development for anyone to undertake and \$25,000 is a very small effort on the part of the Agency to make the projects duable.

Ms. Bolanos indicated she is in a difficult position because she does not have the history but unprecedented steps have been taken to assist this developer. However, in this situation she supports Mr. King's motion.

Mr. Collins noted that \$11 million comes from tax increment monies in the Western Addition and it is spread all over the City so it is ridiculous to argue about \$25,000.

Mr. Townsend described the background of Parcel 732 and noted that there used to be a limit on the amount of profit developers could make and the rest went to the Low Income Housing Fund.

President Bagot suggested a workshop be held in January.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-91 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from President Bagot, Mr. Helfeld indicated that the briefing paper for the Mayor-elect will be completed by December 20 and a copy provided to the Commissioners.

MATTERS NOT APPEARS ON AGENDA (Continued)

- (b) Robert Gamble, Deputy Executive Deputy Director, Finance, introduced item (a), which requests authorization of a Resolution which amends Resolution No. 240-91, entitled "A Resolution of the Redevelopment Agency of the City and County of San Francisco authorizing the issuance of not to exceed \$30,000,000 principal amount of Redevelopment Agency of the City and County of San Francisco 1991 General Obligation Notes" in connection with Yerba Buena Center.

David Madway, Agency General Counsel, indicated that this is not an agenda item and, in accordance with the Brown Act regulations, a determination needs to be made by the Commission that a necessity to act on this off-agenda item arose after posting of the agenda on Friday, December 13, 1991.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, DECEMBER 13, 1991.

Mr. Gamble noted that there is not a change in the amount but in the term of the debt from seven to fifteen years.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 330-91 BE ADOPTED.

President Bagot announced that there would be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

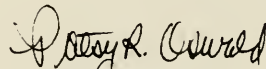
Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with Yerba Buena Gardens, L.P.; and

northwest corner of Eddy and Webster Streets in the Western Addition A-2 with Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 7, 1992



